

knowledge from the public press or from patriotic attorneys who make a private investigation.

The concentration of power in the hands of single individuals of other nations has resulted in a holocaust that is now bathing Europe in blood. I would be just as concerned to learn the full powers of the President during an emergency if the President were Mr. Hoover, or Mr. Coolidge, or Teddy Roosevelt, or any other member of my own party.

Every Member of the Congress has received a copy of this resolution. Every response that has been made to me has been either favorable or noncommittal, but not once in the last 20 days that this has been discussed has there been one word of opposition or any suggestion that it be deferred until some other time.

Mr. Speaker, through all of the century and a half of the history of the House there has been one cardinal principle, and that is the complete independence of the body in the matter of gaining information that would aid the House in its decisions. I respectfully call this resolution to the attention of the Speaker, the majority leader, the chairman of the Rules Committee, and the members of that committee that they may be aware of the fact that in this hour of emergency the Nation is demanding information to which it is fully entitled and to which no Member of the House nor no official of the Congress can deny their right. I sincerely hope every Member of this body will subscribe to the constitutional right of information that is historic in the House of Representatives. [Applause.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Friday next, after the disposition of the other special orders that have been entered for that day, the gentleman from Illinois [Mr. DIRKSEN] may address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Wednesday, October 25, 1939, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1106. A letter from the Archivist of the United States, transmitting a report of the Archivist of the United States on a list of papers, consisting of one item, from those recommended to him for disposition, September 21, 1939, by the Department of the Navy; to the Committee on the Disposition of Executive Papers.

1107. A letter from the Archivist of the United States, transmitting a report of the Archivist of the United States on lists of papers, consisting of 16 items, from those recommended to him for disposition, August 24, 1939, by the Works Progress Administration; to the Committee on the Disposition of Executive Papers.

1108. A letter from the Archivist of the United States, transmitting a report of the Archivist of the United States on lists of papers, consisting of five items, from those recommended to him for disposition, October 7, 1935, by the Department of the Treasury; to the Committee on the Disposition of Executive Papers.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GIFFORD:

H. R. 7596. A bill to provide for the reimbursement of certain members or former members of the United States Coast Guard (formerly the Bureau of Lighthouses) for the

value of personal effects lost in the hurricane of September 21, 1938, at several light stations on the coast of Massachusetts, Rhode Island, Connecticut, and New York; to the Committee on Claims.

By Mr. POLK:

H. R. 7597. A bill granting a pension to Alice Catell McCoy; to the Committee on Invalid Pensions.

H. R. 7598. A bill granting an increase of pension to Sarah E. Woods; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5823. By Mr. GILLIE: Petition of 800 members and friends of St. Patrick's Catholic Church, Fort Wayne, Ind., urging Congress not to repeal the arms embargo; to the Committee on Foreign Affairs.

5824. By Mr. RUTHERFORD: Petition of sundry residents of Wayne County, Pa., protesting against the repeal of the arms embargo; to the Committee on Foreign Affairs.

## SENATE

WEDNESDAY, OCTOBER 25, 1939

(Legislative day of Wednesday, October 4, 1939)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty and most merciful Father, who dost ever seek to draw us closer to Thyself with cords of love: Help us at this moment to lift our thoughts above life's sordid cares as we invoke Thy blessing, and may the spirit of Thy calm prevail as each, from his own experience, shall bring insight, sympathy, and help for others' need to the deliberations of this day. Grant, we beseech Thee, unto the men of our Nation that they may learn how sublime a thing it is to suffer and be strong for others, and may there be manifest a steady progress from less to more, from generous aspiration to serene and resolute manhood, so that of the citizens of our country it may well be said that their path is as a shining light that shineth more and more unto the perfect day. We ask it in our dear Redeemer's name and for His sake. Amen.

#### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, October 24, 1939, was dispensed with, and the Journal was approved.

#### CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	King	Russell
Andrews	Donahay	La Follette	Schwartz
Austin	Downey	Lee	Schwellenbach
Bailey	Ellender	Lodge	Sheppard
Bankhead	Frazier	Lucas	Shipstead
Barbour	George	Lundeen	Slattery
Barkley	Gerry	McCarran	Smathers
Bilbo	Gibson	McKellar	Smith
Borah	Gillette	McNary	Stewart
Bridges	Green	Maloney	Taft
Brown	Guffey	Mead	Thomas, Okla.
Bulow	Gurney	Miller	Thomas, Utah
Burke	Hale	Minton	Tobey
Byrd	Harrison	Murray	Townsend
Byrnes	Hatch	Neely	Truman
Capper	Hayden	Norris	Tydings
Caraway	Herring	Nye	Vandenberg
Chandler	Hill	O'Mahoney	Van Nuys
Chavez	Holman	Overton	Wagner
Clark, Idaho	Holt	Pepper	Walsh
Clark, Mo.	Hughes	Pittman	White
Connally	Johnson, Calif.	Radcliffe	Wiley
Danaher	Johnson, Colo.	Reynolds	

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are detained from the Senate because of illness.

The Senator from Arizona [Mr. ASHURST] is absent because of illness in his family.

The Senator from Montana [Mr. WHEELER] is unavoidably detained.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

#### PETITION

Mr. LODGE presented a petition of sundry citizens of the State of Massachusetts, praying for the preservation of American neutrality and peace and also that the United States join with other neutral nations in efforts to achieve a speedy, just, and lasting peace, and remonstrating against the sale of arms and munitions to warring nations, which was ordered to lie on the table.

#### NEUTRALITY AND PEACE OF THE UNITED STATES—AMENDMENTS

Mr. McCARRAN submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 306), Neutrality Act of 1939, which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

At the proper place, insert the following new section:

#### "EXPORT OF ARMS, AMMUNITION, AND IMPLEMENTS OF WAR

"Sec. —. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), and he shall thereafter find that the exportation from the United States of arms, ammunition, and implements of war (1) may cause the United States to become involved in the war with respect to which such proclamation was issued, or (2) is likely to impair the effectiveness of the national defense of the United States, he may, by proclamation, so declare, and thereafter it shall be unlawful for any person to export or transport, attempt to export or transport, or cause to be exported or transported from the United States, or to sell or offer for sale for export from the United States any arms, ammunition, or implements of war.

"(b) Whoever, during the effective period of any proclamation issued under subsection (a) of this section, shall, in violation of any of the provisions of this section, export or transport, or attempt to export or transport, or cause to be exported or transported from the United States, or shall sell or offer for sale for export from the United States any arms, ammunition, or implements of war shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both, and the property or vessel containing any such arms, ammunition, or implements of war shall be subject to the provisions of sections 1 to 8, inclusive, title 6, chapter 30, of the act approved June 15, 1917 (40 Stat. 223-225; U. S. C. 1934 ed., title 22, secs. 238-245).

"(c) In the case of the forfeiture of any arms, ammunition, or implements of war by reason of a violation of this section, no public or private sale shall be required; but such arms, ammunition, or implements of war shall be delivered to the Secretary of War for such use or disposal thereof as shall be approved by the President of the United States.

"(d) Whenever all proclamations issued under the authority of section 1 (a) shall have been revoked the provisions of this section shall thereupon cease to apply, except as to offenses committed prior to such revocation.

"(e) The President is hereby authorized to proclaim from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this section."

Mr. NYE submitted an amendment in the nature of a substitute intended to be proposed by him to the joint resolution (H. J. Res. 306), Neutrality Act of 1939, which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendment (in the nature of a substitute) intended to be proposed by Mr. NYE to the joint resolution (H. J. Res. 306), Neutrality Act of 1939, viz: On page 15, starting with line 1, strike out all of that page and all following pages down to and including line 10, on page 32, and insert the following:

#### "PROCLAMATION OF A STATE OF WAR BETWEEN FOREIGN STATES

"SECTION 1. (a) That whenever the President, or the Congress by concurrent resolution, shall find that there exists a state of war between foreign states, the President shall issue a proclamation naming the states involved; and he shall, from time to time, by proclamation, name other states as and when they may become involved in the war.

"(b) Whenever the state of war which shall have caused the President to issue any proclamation under the authority of this section shall have ceased to exist with respect to any state named in such proclamation, he shall revoke such proclamation with respect to such state.

#### "EXPORT OF ARMS, AMMUNITION, AND IMPLEMENTS OF WAR

"Sec. 2. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), it shall thereafter

be unlawful to export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from any place in the United States to any belligerent state named in such proclamation, or to any neutral state for transshipment to, or for the use of, any such belligerent state.

"(b) The President shall, from time to time, by proclamation, extend such embargo upon the export of arms, ammunition, or implements of war to other states as and when they may become involved in such war.

"Sec. 3. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), it shall thereafter be unlawful for any American vessel to carry any passengers or to carry, directly or indirectly, any articles or materials to any state named in such proclamation.

"(b) Whoever shall violate any of the provisions of subsection (a) of this section or of any regulations issued thereunder shall, upon conviction thereof, be fined not more than \$50,000 or imprisoned for not more than 5 years, or both. Should the violation be by a corporation, organization, or association, each officer or director thereof participating in the violation shall be liable to the penalty herein prescribed.

"(c) Whenever the President shall have issued a proclamation under the authority of section 1 (a) it shall thereafter be unlawful to export or transport, or attempt to export or transport, or cause to be exported or transported, from the United States, directly or indirectly, to any state named in such proclamation, any articles or materials until all right, title, and interest therein shall have been transferred to some foreign government, agency, institution, association, partnership, corporation, or national. The shipper of such articles or materials shall be required to file with the collector of the port from or through which they are to be exported a declaration under oath that there exists in no citizen of the United States any right, title, or interest in such articles or materials, and to comply with such rules and regulations as shall be promulgated from time to time. Any such declaration so filed shall be a conclusive estoppel against any claim of any citizen of the United States of right, title, or interest in such articles or materials. No loss incurred by any such citizen in connection with the sale or transfer of right, title, and interest in any such articles or materials shall be made the basis of any claim put forward by the Government of the United States.

"(d) Insurance written by underwriters on articles or materials included in shipments which are subject to restrictions under the provisions of this joint resolution, and on vessels carrying such shipments shall not be deemed an American interest therein, and no insurance policy issued on such articles or materials, or vessels, and no loss incurred thereunder or by the owners of such vessels, shall be made the basis of any claim put forward by the Government of the United States.

"(e) Whenever any proclamation issued under the authority of section 1 (a) shall have been revoked with respect to any state the provisions of this section shall thereupon cease to apply with respect to such state, except as to offenses committed prior to such revocation.

"(f) The provisions of subsection (a) of this section shall not apply to transportation by American vessels on or over lakes, rivers, and inland waters bordering on the United States, or to transportation by aircraft on or over lands bordering on the United States, and the provisions of subsection (c) of this section shall not apply (1) to such transportation of any articles or materials other than articles listed in a proclamation issued under the authority of section 12 (i), or (2) to any other transportation on or over lands bordering on the United States of any articles or materials other than articles listed in a proclamation issued under the authority of section 12 (i).

"(g) The provisions of subsections (a) and (c) of this section shall not apply to transportation by American vessels (other than aircraft) of mail, passengers, or any articles or materials (except articles or materials listed in a proclamation issued under the authority of section 12 (i) (1) to any port in the Western Hemisphere south of 30° north latitude, or (2) to any port in the Western Hemisphere north of 35° north latitude and west of 66° west longitude, or (3) to any port on the Pacific or Indian Oceans, including the China Sea, the Bay of Bengal, the Tasman Sea, and the Arabian Sea; and the provisions of subsection (c) of this section shall not apply to such transportation of mail, personal effects of any individual on any such vessel, and necessary supplies for any such vessel. The exceptions contained in this subsection shall not apply to any such port which is included within a combat area as defined in section 3 which applies to such vessels.

"(h) The provisions of subsection (a) of this section shall not apply to transportation by aircraft of mail, passengers, or any articles or materials (except articles or materials listed in a proclamation issued under the authority of section 12 (i) (1) to any port in the Western Hemisphere, or (2) to any port on the Pacific or Indian Oceans, including the China Sea, the Bay of Bengal, and the Arabian Sea; and the provisions of subsection (c) of this section shall not apply to such transportation of mail, personal effects of any individual on any such aircraft, and necessary supplies for any such aircraft. The exceptions contained in this subsection shall not apply to any such port which is included within a combat area as defined in section 3 which applies to such aircraft.

"(i) Every American vessel to which the provisions of subsections (g) and (h) apply shall, before departing from a port or from the jurisdiction of the United States, file with the collector of customs of the port of departure, or if there is no such collector at such port, then with the nearest collector of customs, an export declaration (1) containing a complete list of all the articles and materials carried as cargo by such vessel and the names and addresses of the



consignees of all such articles and materials, and (2) stating the ports at which such articles and materials are to be unloaded and the ports of call of such vessel. All transportation referred to in subsections (f), (g), and (h) of this section shall be subject to such restrictions, rules, and regulations as the President shall prescribe; but no loss incurred in connection with any transportation excepted under the provisions of subsections (g) and (h) of this section shall be made the basis of any claim put forward by the Government of the United States.

"(j) Whenever all proclamations issued under the authority of section 1 (a) shall have been revoked, the provisions of subsections (f), (g), (h), and (i) shall expire.

#### "EXPORT CONTROL BOARD

"Sec. 4. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), he shall thereupon establish an Export Control Board (hereinafter referred to in this section as the Board), to be composed of a chairman, to be appointed by the President; the Secretaries of State, Commerce, and Interior; two Members of the Senate, to be appointed by the President of the Senate, not more than one of whom shall belong to the same political party; and two Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, not more than one of whom shall belong to the same political party. A vacancy in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board, and shall be filled in the same manner as the original appointment.

"(b) In order to prevent the growth and subsequent collapse of a short-lived war boom, with its attendant dangers to our peace, prosperity, and cost of living, it shall be the duty of the Board to limit the annual exportation of commodities from the United States to each state named in any such proclamation to the average annual exports to each such state from the United States during any 4 consecutive years of the 12-year period immediately preceding the date such proclamation is issued.

"(c) The Board shall compute for each such state as soon as practicable the average annual exports of commodities from the United States to each such state for each of the following major categories: Crude materials, crude foodstuffs, manufactured foodstuffs, semimanufactures, and finished manufactures. The computation so made with respect to each such major category for any such state shall thereafter be the annual quota for such category for such state.

"(d) Upon the establishment of an annual quota for each major category for each such state, the Board shall, upon the request of the duly authorized and empowered purchasing agent for such state, issue licenses to such agent for the exportation of commodities to such state. No licenses shall be issued to any such agent during any one year for the exportation of commodities within each major category in excess of the annual quota established for such category for such state: *Provided*, That if the President shall find that the civilian population of any such state is in extreme need as a result of the war to which the President's proclamation relates, he may increase the annual quotas for such state so long as such need exists, but such increase shall not exceed 10 percent of such annual quotas.

"(e) Whenever a stored surplus of commodities within any such major category exists in the United States and such surplus is not necessary for the welfare or defense of the United States, licenses for the exportation of such commodities shall be limited to such stored surplus so long as such surplus exists.

"(f) It shall be the duty of the Board to tabulate and examine the character of exports to neutral states; and if the Board finds (1) that commodities in any major category are being imported from the United States by any such neutral state in abnormal quantities, (2) that such imports are not in lieu of imports previously secured from belligerent states, and (3) that such imports are not for their own needs but are being transhipped to belligerents, the Board shall announce such finding, and thereafter the provisions of this section shall apply to such neutral state with respect to such major category in the same manner and to the same extent as it applies to such belligerents.

"(g) The Board shall have power to employ and fix the compensation of such officers, experts, and employees as it deems necessary for the performance of its duties, but the compensation so fixed shall not exceed the compensation fixed under the Classification Act of 1923, as amended, for comparable duties. The Board is authorized to utilize the services, information, facilities, and personnel of the departments and agencies in the executive branch of the Government. The members of the Board shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the exercise of the functions vested in the Board. The Board is authorized to make such rules and regulations as may be necessary to carry out its functions under this section.

"(h) During any period in which the provisions of this section are in effect, it shall be unlawful for any person to export or transport, or attempt to export or transport, or cause to be exported or transported, from the United States to any such state during any calendar year any such commodities in excess of the quota so established; and it shall be unlawful for any person to export or transport, or attempt to export or transport, or cause to be exported or transported from the United States to any such state any such commodities without first having obtained a license therefor.

"(i) The provisions of this section shall apply only during a period in which a proclamation issued under the authority of section 1 (a) is in effect, and shall cease to apply to any state named

in any such proclamation when such proclamation has been revoked with respect to such state.

#### "COMBAT AREAS

"Sec. 5. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), he shall, by proclamation, define combat areas, and thereafter it shall be unlawful, except under such rules and regulations as may be prescribed, for any citizen of the United States, or any American vessel, to proceed into or through any such combat area: *Provided*, That no definition of combat areas shall permit American vessels to engage in indirect commerce with belligerents by transshipments at or through neutral ports.

"(b) Whenever the President shall have issued a proclamation under authority of section 1 (a), he shall require American vessels to carry clear distinguishing marks, both by day and by night, and the ships of any state which duplicates such marks or uses the American flag on its vessels shall be barred from the ports of the United States until such time as the President is satisfied that such duplicated marks or misuse of the flag have ceased or been removed from every ship of such state.

"(c) In case of the violation of any of the provisions of this section by any American vessel, or any owner or officer thereof, or by any shipper, such vessel, owner, officer, or shipper shall be fined not more than \$50,000 or imprisoned for not more than 5 years, or both. Should the shipper or the owner of such vessel be a corporation, organization, or association, each officer or director participating in the violation shall be held liable to the penalty hereinabove prescribed. In case of the violation of this section by any citizen traveling as a passenger, such passenger may be fined not more than \$10,000 or imprisoned for not more than 2 years, or both.

"(d) The President may from time to time modify or extend any proclamation issued under the authority of this section, and when the conditions which shall have caused him to issue any such proclamation shall have ceased to exist he shall revoke such proclamation and the provisions of this section shall thereupon cease to apply, except as to offenses committed prior to such revocation.

#### "AMERICAN RED CROSS

"Sec. 6. The provisions of section 2 (a) shall not prohibit the transportation by vessels under charter or other direction and control of the American Red Cross, proceeding under safe conduct granted by states named in any proclamation issued under the authority of section 1 (a), of officers and American Red Cross personnel, medical personnel, and medical supplies, food and clothing, for the relief of human suffering.

#### "TRAVEL ON VESSELS OF BELLIGERENT STATES

"Sec. 7. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a) it shall thereafter be unlawful for any citizen of the United States to travel on any vessel of any state named in such proclamation, except in accordance with such rules and regulations as may be prescribed.

"(b) Whenever any proclamation issued under the authority of section 1 (a) shall have been revoked with respect to any state the provisions of this section shall thereupon cease to apply with respect to such state, except as to offenses committed prior to such revocation.

#### "ARMING OF AMERICAN MERCHANT VESSELS PROHIBITED

"Sec. 8. Whenever the President shall have issued a proclamation under the authority of section 1 (a) it shall thereafter be unlawful, until such proclamation is revoked, for any American vessel, engaged in commerce with any foreign state, to be armed, except with small arms and ammunition therefor, which the President may deem necessary and shall publicly designate for the preservation of discipline aboard any such vessel.

#### "FINANCIAL TRANSACTIONS

"Sec. 9. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a) it shall thereafter be unlawful for any person within the United States, or for the United States or an instrumentality of the United States, to purchase, sell, import, exchange, or accept as security, or accept as payment for any goods or services, bonds, securities, currency, or other obligations of the government of any state named in such proclamation, or of any political subdivision of any such state, or of any person acting for or on behalf of the government of any such state, unless such bond, security, debt, or other obligation was issued and outstanding in the United States before the date of such proclamation, or to make any loan or extend any credit to any such government, political subdivision, or person. Any agreement, contract, or other commitment to produce, make, sell, or deliver goods, or to perform any service, under which the full face value of the contract, agreement, or other commitment is not paid in cash, or for the payment of which equivalent cash is not placed in escrow, at the time such agreement, contract, or other commitment is entered into, shall be deemed to be credit within the meaning of this section. The face value of any contingent or open-end agreement, contract, or other commitment shall be considered to be the value of maximum performance thereunder. In this section cash shall include only obligations or lawful money of the United States or certified checks drawn upon banks within the jurisdiction of the United States or of any state. The provisions of this subsection shall also apply to the sale by any person within the United States to any person in a state named in any such proclamation of any articles or materials listed in a proclamation issued under the authority of section 14 (i): *Provided*, That

any person except banks, the United States, or instrumentalities of the United States, may acquire currency of any such state and any bank other than a bank owned by the United States may acquire such currency up to 10 percent of its capital and surplus. Nothing in this section shall prevent any bank from investing such currency in any manner so long as the sum of such investment and such currency does not exceed 10 percent of its capital and surplus.

"(b) The provisions of this section shall not apply to a renewal or adjustment of such indebtedness as may have been outstanding in the United States on the date of such proclamation.

"(c) Whoever shall violate any of the provisions of this section or of any regulations issued thereunder shall, upon conviction thereof, be fined not more than \$50,000 or imprisoned for not more than 5 years, or both. Should the violation be by a corporation, organization, or association, each officer or director thereof participating in the violation shall be liable to the penalty herein prescribed. No claim acquired through any loan or credit extended, or through any obligation purchased or acquired, in violation of this section shall be enforceable in any court of law or equity within the jurisdiction of the United States, or of any state.

"(d) Whenever any proclamation issued under the authority of section 1 (a) shall have been revoked with respect to any state the provisions of this section shall thereupon cease to apply with respect to such state, except as to offenses committed prior to such revocation.

#### "SOLICITATION AND COLLECTION OF FUNDS

"Sec. 10. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), it shall thereafter be unlawful for any person within the United States to solicit or receive any contribution for or on behalf of the government of any state named in such proclamation or for or on behalf of any agent, instrumentality, or supporter of any such state.

"(b) Nothing in this section shall be construed to prohibit the solicitation or collection of funds to be used for medical aid and assistance, or for food and clothing to relieve human suffering, when such solicitation or collection of funds is made on behalf of and for use by any person or organization which is not acting for or on behalf of or in aid of any such government, but all such solicitations and collections of funds shall be in accordance with and subject to such rules and regulations as may be prescribed.

"(c) Whenever any proclamation issued under the authority of section 1 (a) shall have been revoked with respect to any state the provisions of this section shall thereupon cease to apply with respect to such state, except as to offenses committed prior to such revocation.

#### "AMERICAN REPUBLICS

"Sec. 11. This joint resolution shall not apply to any American republic engaged in war against a non-American state or states, provided the American republic is not cooperating with a non-American state or states in such war.

#### "RESTRICTIONS ON USE OF AMERICAN PORTS

"Sec. 12. (a) Whenever, during any war in which the United States is neutral, the President or any person thereunto authorized by him shall have cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port or from the jurisdiction of the United States, fuel, men, arms, ammunition, implements of war, supplies, dispatches, or information to any warship, tender, or supply ship of a state named in a proclamation issued under the authority of section 1 (a), but the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by section 1, title V, chapter 30, of the act approved June 15, 1917 (40 Stat. 217, 221; U. S. C., 1934 ed., title 18, sec. 31), and if, in the President's judgment, such action will serve to maintain peace between the United States and foreign states, or to protect the commercial interests of the United States and its citizens, or to promote the security or neutrality of the United States, he shall have the power and it shall be his duty to require the owner, master, or person in command thereof, before departing from a port or from the jurisdiction of the United States, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that the vessel will not deliver the men, or any fuel, supplies, dispatches, information, or any part of the cargo, to any warship, tender, or supply ship of a state named in a proclamation issued under the authority of section 1 (a).

"(b) If the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States, has previously departed from a port or from the jurisdiction of the United States during such war and delivered men, fuel, supplies, dispatches, information, or any part of its cargo to a warship, tender, or supply ship of a state named in a proclamation issued under the authority of section 1 (a), he may prohibit the departure of such vessel during the duration of the war.

"Sec. 13. (a) Whenever the President shall have issued a proclamation under section 1 (a), the submarines or armed merchant vessels of any state named in such proclamation shall be considered ships of war and shall be accorded only such treatment in the ports and territorial waters of the United States as is accorded to ships of war.

"(b) No disguised armed vessel with masked or concealed guns or weapons of any sort shall be permitted to enter or depart from the territorial waters of the United States, and the ships of any

state which employs such disguised armed vessels shall be barred from ports of the United States until such time as the President is satisfied that the use of such disguised armed vessels has been discontinued.

#### "NATIONAL MUNITIONS CONTROL BOARD

"Sec. 14. (a) There is hereby established a National Munitions Control Board (hereinafter referred to as the Board). The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board; the Secretary of the Treasury; the Secretary of War; the Secretary of the Navy; the Secretary of Commerce; two Members of the Senate, to be appointed by the President of the Senate; and two Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. A congressional vacancy in the membership of the Board shall be filled in the same manner as the original selection. Except as otherwise provided in this section, or by other law, the administration of this section is vested in the Secretary of State. The Secretary of State shall promulgate such rules and regulations with regard to the enforcement of this section as he may deem necessary to carry out its provisions. The Board shall be convened by the chairman and shall hold at least one meeting a year.

"(b) Every person who engages in the business of manufacturing, exporting, or importing any arms, ammunition, or implements of war listed in a proclamation issued under the authority of subsection (i) of this section, whether as an exporter, importer, manufacturer, or dealer, shall register with the Secretary of State his name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

"(c) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, or implements of war which he exports, imports, or manufactures; and upon such notification the Secretary of State shall issue to such person an amended certificate of registration, free of charge, which shall remain valid until the date of expiration of the original certificate. Every person required to register under the provisions of this section shall pay a registration fee of \$100. Upon receipt of the required registration fee, the Secretary of State shall issue a registration certificate valid for 5 years, which shall be renewable for further periods of 5 years upon the payment for each renewal of a fee of \$100.

"(d) It shall be unlawful for any person to export, or attempt to export, from the United States to any other state, any arms, ammunition, or implements of war listed in a proclamation issued under the authority of subsection (i) of this section, or to import, or attempt to import, to the United States from any other state, any of the arms, ammunition, or implements of war listed in any such proclamation, without first having submitted to the Board the name of the purchaser and the terms of sale and having obtained a license therefor.

"(e) All persons required to register under this section shall maintain, subject to the inspection of the Secretary of State, or any person or persons designated by him, such permanent records of manufacture for export, importation, and exportation of arms, ammunition, and implements of war as the Secretary of State shall prescribe.

"(f) Licenses shall be issued by the Secretary of State to persons who have registered as herein provided for, except in cases of export or import licenses where the export of arms, ammunition, or implements of war would be in violation of this joint resolution or any other law of the United States, or of a treaty to which the United States is a party, in which cases such licenses shall not be issued.

"(g) No purchase of arms, ammunition, or implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of this joint resolution.

"(h) The Board shall make a report to Congress on January 1 and July 1 of each year, copies of which shall be distributed as are other reports transmitted to Congress. Such reports shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition, and implements of war, including the name of the purchaser and the terms of sale made under such license. The Board shall include in such reports a list of all persons required to register under the provisions of this joint resolution and full information concerning the licenses issued hereunder, including the name of the purchaser and the terms of sale made under such license.

"(i) The President is hereby authorized to proclaim upon recommendation of the Board from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this resolution.

#### "REGULATIONS

"Sec. 15. The President may from time to time promulgate such rules and regulations, not inconsistent with law, as may be necessary and proper to carry out any of the provisions of this joint resolution; and he may exercise any power or authority conferred on him by this joint resolution through such officer or officers, or agency or agencies, as he shall direct.

#### "GENERAL PENALTY PROVISION

"Sec. 16. In every case of the violation of any of the provisions of this joint resolution or of any rule or regulation issued pursuant thereto where a specific penalty is not herein provided, such



violation or violations, upon conviction, shall be fined not more than \$10,000 or imprisoned not more than 2 years, or both.

#### DEFINITIONS

"SEC. 17. For the purposes of this joint resolution—

"(a) The term 'United States' when used in a geographical sense includes the several States and Territories, the insular possessions of the United States (including the Philippine Islands), the Canal Zone, and the District of Columbia.

"(b) The term 'person' includes a partnership, company, association, or public or private corporation, as well as a natural person.

"(c) The term 'vessel' means every description of watercraft and aircraft capable of being used as a means of transportation on, under, or over water.

"(d) The term 'American vessel' means any vessel documented, and any aircraft registered or licensed, under the laws of the United States.

"(e) The term 'state' shall include nation, government, and country.

"(f) The term 'citizen' shall include any individual owing allegiance to the United States, a partnership, company, or association composed in whole or in part of citizens of the United States, and any corporation organized and existing under the laws of the United States as defined in subsection (a) of this section.

"(g) The terms 'bonds,' 'securities,' or 'other obligations' shall include every debt, claim, title, ownership, or interest, and every instrument evidencing any of them.

"(h) The term 'currency' shall include all forms of the lawful money of any state named in any proclamation issued under section 1 (a) and bank balances carried in such currency.

#### SEPARABILITY OF PROVISIONS

"SEC. 18. If any of the provisions of this joint resolution, or the application thereof to any person or circumstance, is held invalid, the remainder of the joint resolution, and the application of such provision to other persons or circumstances, shall not be affected thereby.

#### APPROPRIATIONS

"SEC. 19. There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this joint resolution.

#### REPEALS

"SEC. 20. The joint resolution of August 31, 1935, as amended, and the joint resolution of January 8, 1937, are hereby repealed; but offenses committed and penalties, forfeitures, or liabilities incurred under either of such joint resolutions prior to the date of enactment of this joint resolution may be prosecuted and punished, and suits and proceedings for violations of either of such joint resolutions or of any rule or regulation issued pursuant thereto may be commenced and prosecuted, in the same manner and with the same effect as if such joint resolutions had not been repealed.

"SEC. 21. This joint resolution may be cited as the 'Neutrality Act of 1939.'"

ADDRESS BY SENATOR WALSH AT DEDICATION OF CALVIN COOLIDGE BRIDGE

[Mr. LODGE asked and obtained leave to have printed in the RECORD an address delivered by Senator WALSH at the dedication of the Calvin Coolidge Bridge at Northampton, Mass., on Columbus Day, October 12, 1939, which appears in the Appendix.]

#### GRAVES OF UNITED STATES WAR DEAD IN FRANCE

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article by Lorenzo Martin, Washington correspondent of the Louisville Times, dealing with the subject of graves of United States war dead in France, which appears in the Appendix.]

EDITORIAL FROM PITTSBURGH PRESS RELATIVE TO GOVERNOR JAMES

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial from the Pittsburgh Press of October 22, 1939, relative to Governor James, of Pennsylvania, which appears in the Appendix.]

#### PROPAGANDA, PEACE, PREPAREDNESS—ADDRESS BY SENATOR WALSH

[Mr. WALSH asked and obtained leave to have printed in the RECORD an address delivered by him at Holyoke, Mass., on Labor Day, 1939, on the subject Propaganda, Peace, and Preparedness, which appears in the Appendix.]

#### CONTROLLING WAR PROFITS—ADDRESS BY SENATOR O'MAHONEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an address delivered by him to the New York Herald Tribune Ninth Annual Forum on Current Problems at the Waldorf-Astoria Hotel, New York, N. Y., on October 25, 1939, on the subject Controlling War Profits, which appears in the Appendix.]

#### THE PATH TO PEACE—ADDRESS BY SENATOR BARBOUR

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD a radio address delivered by Senator BARBOUR on October 24, 1939, on the subject The Path to Peace, which appears in the Appendix.]

#### ADDRESS BY SENATOR TAFT TO AMERICAN FEDERATION OF LABOR CONVENTION

[Mr. GURNEY asked and obtained leave to have printed in the RECORD an address delivered by Senator TAFT to the convention of the American Federation of Labor on October 6, 1939, at Cincinnati, Ohio, which appears in the Appendix.]

#### SUBVERSIVE ACTIVITIES IN THE UNITED STATES—STATEMENT BY REV. REMBERT GILMAN SMITH

[Mr. LEE asked and obtained leave to have printed in the RECORD a statement by the Reverend Rembert Gilman Smith, representing the Oklahoma League Against Communism, Nazi-ism, and Fascism, entitled "Repeal the Embargo," which appears in the Appendix.]

#### PENDING NEUTRALITY LEGISLATION—ARTICLE BY JOHN T. FLYNN

[Mr. NYE asked and obtained leave to have printed in the RECORD an article appearing in the Washington (D. C.) News of September 30, 1939, by John T. Flynn, entitled "Plain Economics," which appears in the Appendix.]

#### RELATIONS BETWEEN UNITED STATES AND CANADA

Mr. BORAH. Mr. President, I have received a number of letters from Canadians in regard to some incidents that have occurred in discussions in this country with regard to relations between the United States and Canada. One of those letters I have answered. I ask that a copy of my answer be inserted in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 23, 1939.

MISS HELEN MCPHERSON,

Box 67, Vulcan, Alberta, Canada.

DEAR MISS MCPHERSON: I have your letter and have read it, not only with deep interest but in complete sympathy with your views as to the relations which should obtain between your country and mine. And I venture to declare, without the slightest doubt as to the correctness of my statement, that the people of the United States not only greatly respect and admire our Canadian neighbors but they trust them as few people ever trusted another people. There are no seeds of estrangement anywhere in this country that I know of, no reason for distrust, and no occasion for debating the possibilities of trouble.

Are not the relations between our countries without precedent—no fears, no hatred, no enmity, no distrust, on either side of the border line? Then why debate or discuss the subject? Let's leave it all to the people. The people of the United States and Canada will have no trouble and will get along magnificently, as they have in the past, if they are just permitted to go their own way and attend to their own business.

After reading the effect upon the common people of Japan of Ambassador Grew's statement, I thought what a blessing it would be all over this round globe if the people knew more and were permitted to have more say about supposed controversies and statesmen less. My feeling is, let the people of the United States and Canada alone.

If the people of Canada are ever attacked, which seems a rather remote probability, and desire our help, it will be time enough to display our military possibilities and our willingness to assist them. If the people of Canada desire to change their relationship to their mother country and seem to need advice, we will always have sufficient of that article on hand, and, judging the future by the past, will be willing to distribute it freely.

Miss McPherson, I really have not been able to take this matter seriously, and that is not out of too little interest in, or respect for, Canada, but too much.

When I study the reciprocal-trade agreements between the United States and Canada, I conclude if anybody needs advice and counsel, it is not Canada. When I read Premier King's recent statement, "the idea that every 20 years this country, which has done all it can to run itself, should feel called upon to save periodically a continent which cannot run itself, seems to me a nightmare and sheer madness. \* \* \* In a war to save the liberty of others and thus our own, we should not sacrifice our own liberty or our own unity," I conclude that if anyone on this continent needs a rebaptism of Americanism, it is not Canada.

You suggest that I take certain steps or do certain things in the way of clearing up this misunderstanding. My influence is limited to a very sincere expression of my own views, as I have above indicated them; to wit, that the friendship of our peoples is as solid as a rock, and that the border line between the United States and Canada is one border line which even statesmen cannot break down or mangle.

I repeat, your letter is most interesting, and the sincerest expression of respect I can offer to you and to the people of your country is to say, Let's travel along, undisturbed, the path which we have so gloriously marked out for ourselves—peace, friendship, and commerce, with just a little modification of our trade agreements, if you find it possible to let us have it. But we will not quarrel with you even about that.

With great respect, I am,  
Very sincerely,

WM. E. BORAH.

#### NEUTRALITY AND PEACE OF THE UNITED STATES

The Senate resumed the consideration of the joint resolution (H. J. Res. 306), Neutrality Act of 1939.

Mr. CHAVEZ obtained the floor.

Mr. CLARK of Missouri. Mr. President—

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Missouri?

Mr. CHAVEZ. I yield.

Mr. CLARK of Missouri. Mr. President, I do not wish to take the Senator from New Mexico off his feet, but in order that an amendment may be pending, for I understand no amendment is now pending, I offer the amendment which I send to the desk.

The VICE PRESIDENT. Without objection, the clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out section 11 and in lieu thereof to insert:

Sec. 11 (a). During any war in which the United States is neutral it shall be unlawful for the armed merchant vessels of a belligerent foreign state to enter a port or the territorial waters of the United States or depart therefrom except under the same conditions as other naval surface vessels of belligerent foreign states.

Mr. CHAVEZ. Mr. President, before proceeding with my few brief remarks let me say to the Chair and to Senators that I am taking the time from my amendment time.

During the past I have taken very, very little of the time of the Senate in debate. I consider the pending matter of such importance that I know the Senate at this time will indulge me while I state some historical facts with reference to the matter in question.

I have dug deep and wide into Government documents and matters of record in order to try to give the Senate some facts; not for the purpose, if you please, of trying to convince anyone or trying to change his mode of thinking, or in any way to criticize those who may favor the legislation now proposed, but only for the RECORD and for the benefit of the American people.

This year we celebrated the one hundred and fiftieth anniversary of the Congress of the United States. Everyone was there—the President, the Supreme Court, and all the Members of Congress—the three coordinate branches of our Government to which are entrusted the executive, judicial, and legal functions which, when balanced, constitute our democracy.

I still believe in Washington. I am sufficiently old-fashioned to feel that he is a living thing in the United States.

This celebration was under the direction of the chairman of the Foreign Affairs Committee of the House, as was also the sesquicentennial of George Washington's birth.

We adopted a resolution under the terms of which 100,000 copies of our proceedings were ordered printed. These were distributed to many of our fellow citizens, so that they might feel proud of the traditional place that Congress, the greatest deliberative body in the world, has achieved in the century and a half of its existence.

In this way we have brought home to the people of the United States the work of Congress. Today all eyes are focused upon our deliberations, and a genuine prayer emanates from the people that we shall choose a course that will lead us into the green pastures of a fruitful and lasting peace.

Prior to this happy event we have long had a traditional ceremony on the 22d day of February of every year commemorating the birth of George Washington, upon which occasion one of my distinguished colleagues reads our first President's Farewell Address. It will be recalled that at the

last session we heard our distinguished colleague the junior Senator from Ohio [Mr. TAFT] read the following:

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.



Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

Why do we celebrate Washington's Birthday? To remind us of his sound advice and wisdom, needed more now than ever before in our history.

From the moral or humanitarian standpoint I do not condone, but condemn, many of the things that have been done by Hitler and Stalin. Actually there is no Senator present who has a greater admiration for Great Britain than have I.

Reviewing the contributions of the British people to liberty in its many forms, we find that on the field of Runcymede the great charter of freedom from untoward oppression, the Magna Carta, was wrested from King John on June 15, 1215.

Upon several occasions thereafter the rulers of Britain were confronted with this same fierce love of liberty. In 1628 Charles I was compelled by the Commons to grant the petition of right. In 1688 James II was obliged to leave the throne, and William and Mary were invited by the Parliament to rule England on a constitutional basis. The declaration of rights, which these monarchs promised to observe, was the result.

The great reform bill of 1832 saw an extension of the right of suffrage. Similar legislative enactments, admitting many more of the British people to participation in the political life of Great Britain, were adopted during the course of the nineteenth century until finally after the World War, woman suffrage made the British people politically responsible. Nor can we forget that our common law came to us by the gradual evolution of the English people.

These things in Britain's past excite my feeling of admiration. Fortitude and endurance, such as those instilled on the football fields of Rugby, Eton, Harrow, and the other public schools, enabled a relatively small population to govern an empire of some 450,000,000 people.

But in spite of my admiration and my innate capacity for emotional attachment, my duty is to the United States.

I will not permit any sentiment to prevent me from heeding the admonitions of the Father of his Country which I have just read to you. My duty is to the American people, and to the American people alone.

#### THE MORAL ISSUE

Today we hear much of the moral issue—a stirring appeal to our crusading instinct. Yet what is the morality that underlies the present conflict in Europe? Or is there any? What has been the tortuous course of the past few months? First, we learn that Britain and France seek to cajole or induce Russia to enter into an alliance or an arrangement. Next, Russia has participated in the spoils of conquest. Poland lies dismembered. Yet Britain guaranteed Polish independence against any external aggression. Has Britain declared war on Russia? Is that failure explained by stating that "Poland is no more," or is that a tacit recognition of the validity of Poland's conquest?

Latest reports inform us that Britain not only has not declared war on Russia, but has actually made a trade treaty with the Soviet Union. By this treaty Britain may carry on its trade with Russia, and it is even possible that British goods may find their way into Germany. All this, I take it, is in the interest of international justice and loyalty, and the rescue of an obliterated state. Is not the fundamental question one of force on both sides, and not one of right? There are altogether too many factors which do not jibe to permit this to be called a moral crusade.

I contend that there is no moral crusade; that the issue is not one of international morality. In the words of a keen observer now occupying a responsible position in our Government:

But it is said America is not now asked to fight but merely to lend its support to England to keep peace. "Keep peace" how? By promises, express or implied, that should war come we will be on the side of England. "Lend support?" What does that mean? It is but the traditional English balance-of-power doctrine, and we are asked to become an adjunct to it. We have already noted the

anything but peaceful consequences of that doctrine, that competent observers, like Lecky and Fay, report that it has "produced far more wars than it prevented" and that "if it occasionally prevents small wars, it makes more general and devastating war when it comes." Why should we think that the result of that game will be different if we engage in it?

I have quoted from Jerome Frank, *Save America First* (2d ed., 1938, p. 161).

Therefore let us not furnish arms and munitions in furtherance of a "moral obligation" which is not there, at the risk of our own participation and possible self-destruction.

#### WHAT IN LAW IS NEUTRALITY?

Mr. President, I propose to take up today certain aspects of House Joint Resolution 306 and the amendments now under consideration. This is possibly the most confusing and confused issue this body has faced. Three questions of primary importance present themselves immediately:

First. What is neutrality, or should I say, what is the American concept of neutrality?

Second. What action on our part will best further that policy?

Third. What effect will our action have upon the internal condition of the United States?

The mere statement of these questions results in a realization of the sheer impossibility of answering any one of them in an arbitrary or dogmatic manner.

Neutrality is a relatively recent development in international law; it is not a principle upon which all authorities are agreed. I turn to judicial precedent, one of the recognized sources of international law. Possibly the most frequently cited American judicial definition of the term was given by Mr. Chief Justice Fuller, speaking for the Supreme Court of the United States in the case of *The Three Friends* (166 U. S. 1, (1897)):

Neutrality, strictly speaking, consists in abstinence from any participation in a public, private, or civil war, and in impartiality of conduct toward both parties. \* \* \*

The first essential of a neutral policy, according to this generally accepted definition is nonaction rather than action during the continuation of hostilities abroad. The application of this judicial definition to the present proposal to change the neutrality legislation now in force carries home the point that, while the definition itself is relatively simple, interpretations of it has been seen to vary considerably, dependent upon the meaning given to its various terms.

Basically, then, the question is, Will a change in our export policy be an act of partiality with respect to one or the other of the belligerents? In this connection I can do no better than to quote the definition of neutrality which was used by John Quincy Adams, sixth President of the United States, when he was Secretary of State:

By the principles of international law the state of neutrality recognizes the causes of both parties as just; that is, it avoids all consideration of the merits of the contest (John Quincy Adams to Albert Gallatin, Instructions to U. S. Ministers, vol. VIII, p. 184).

Is it not possible that some of our colleagues have overlooked this basic element of neutrality? Can we reconcile certain of the statements relative to a desire to aid France and England with a sincere determination to refrain from engaging in their war? If lack of prudence and foresight has engulfed them in another one of Europe's interminable conflicts, must a similar lack of prudence and foresight bring it to us? Yes, Mr. President, we realize then that hindsight is better than foresight—but ours is the duty, nay, the necessity, of having foresight, and, I insist, a greater foresight than we had in 1914-17. An ounce of prevention is worth a pound of cure.

In his annual message of December 2, 1897, President McKinley said:

Cuba is again gravely disturbed. An insurrection in some respects more active than the last preceding revolt, which continued from 1868 to 1878, now exists in a large part of the eastern interior of the island menacing even some populations on the coast. Besides deranging the commercial exchanges of the island, of which our country takes the predominant share, this flagrant condition of hostilities, by arousing sentimental sympathy and inciting adventurous support among our people, has entailed earnest effort on

the part of this Government to enforce obedience to our neutrality laws, and to prevent the territory of the United States from being abused as a vantage ground from which to aid those in arms against Spanish sovereignty.

Whatever may be the traditional sympathy of our countrymen as individuals with a people who seem to be struggling for larger autonomy and greater freedom, deepened as such sympathy naturally must be in behalf of our neighbors, yet the plain duty of their Government is to observe in good faith the recognized obligations of international relationship. The performance of this duty should not be made more difficult by a disregard on the part of our citizens of the obligations growing out of their allegiance to their country, which should restrain them from violating as individuals the neutrality which the nation of which they are members is bound to observe in its relations to friendly sovereign states.

Please note again what the President said about displaying our "traditional sympathy." Mr. President, sympathy has nothing to do with our action. Our duty is to reason why so that others may live, not die!

Stated another way:

Neutrality may be defined as the legal status arising from the abstention of a state from all participation in a war, the maintenance by it of an attitude of impartiality in its dealing with the belligerents, and, correspondingly, the recognition by belligerents of this abstention and impartiality (Ann. 3d Con., vol. II, p. 67).

As I have suggested, the major difficulty in relation to the proposed change in the arms embargo is not so much that of defining neutrality, but of interpreting that definition. That the United States must maintain a real and official impartiality cannot be questioned, if neutrality as a way to peace is our objective.

This Nation will remain a neutral nation, but I cannot ask that every American remain neutral in thought as well. Even a neutral has a right to take account of facts. Even a neutral cannot be asked to close his mind or his conscience. (Dulles and Armstrong, *Can America Stay Neutral?* p. 204.)

Mr. President, we must beware of unneutral thinking, for the thought is father to the act.

It will be remembered that the first neutrality legislation was enacted by Congress to insure the impartiality of this country's Government. The cornerstone of that policy was enunciated by Washington 2 years prior thereto in his fourth annual message to Congress, the message of December 1792:

I particularly recommend to your consideration the means of preventing those aggressions by our citizens on the territory of other nations, and other infractions of the law of nations, which, furnishing just subject of complaint, might endanger our peace with them. (Messages and Papers of the Presidents, vol. I, p. 128.)

In 1794 came Washington's decision not to participate in the abortive "armed neutrality" comparable to the efforts made to align the United States with the so-called "collective security" delusion. This "armed neutrality," or its streamlined twentieth century counterpart, "collective security," represented the formation of a political alliance, and was the very antithesis of real neutrality.

What has happened to the popular concept of "neutrality" in recent years? During the conquest of Ethiopia, President Roosevelt seemed to indicate a new approach—an approach along "moral lines":

It is true that the high moral duty I have urged on our people of restricting their exports of essential war materials to either belligerent to approximately the normal peacetime basis had not been the subject of legislation. Nevertheless, it is clear to me that greatly to exceed that basis, with the result of earning profits not possible during peace, and especially with the result of giving actual assistance to the carrying on of war, would serve to magnify the very evil which we seek to prevent. This being my view, I renew the appeal made last October to the American people that they so conduct their trade with belligerent nations that it cannot be said that they are seizing new opportunities for profit or that by changing their peacetime trade, they give aid to the continuation of war. (International Conciliation Association, the United States and World Organization During 1936, p. 560.)

Since then, and beginning with the President's message of September 21, 1939, there has been an apparent willingness to overlook this high-minded, strictly moral proposal. In that message the President stated:

From a purely material point of view, what is the advantage to us in sending all manner of articles across the ocean for final processing there when we could give employment to thousands by doing it here? Incidentally, and again from the material point of view, by such employment we automatically aid our own national defense. And if abnormal profits appear in our midst even in time of peace, as a result of this increase of industry, I feel certain that the subject

will be adequately dealt with at the coming regular session of the Congress. (Dulles and Armstrong, *Can America Stay Neutral?* p. 243.)

It seems to be generally accepted for purposes of this debate that—

The actual law of nations places no restrictions whatever upon the purchase of provisions or of coals by belligerents in neutral parts. (*Hamburg-American SS. Packet Co. v. United States*, 250 F. 747, 755 (1938).)

But if we in our turn speak of international morality and are not hypocritical about it, we should return to this orthodox view advocated by President Roosevelt:

I seek a greater consistency through the repeal of the embargo provisions and a return to international law. I seek reenactment of the historic and traditional American policy which, except for the disastrous interlude of the Embargo and Nonintercourse Acts, has served us well for nearly a century and a half. (Dulles and Armstrong, *Can America Stay Neutral?* p. 244; President's message, September 21, 1939, to Congress.)

But such a return has a seamy side, and from the practical point of view there lurk dangers from which the best of good intentions cannot save us unless we bring a cool wisdom and a reasonable prudence to our task. In spite of the confusion worse confounded which beclouds the basic issue, Secretary Hull says that both the proponents and opponents of the proposed joint resolution are in substantial agreement on four cardinal points:

In substance and in principle both sides of the discussion agree on the following points:

- (1) Both sides agree that the first concern of the United States must be its own peace and security.
- (2) Both sides agree that it should be the policy of this Government to avoid being drawn into wars.
- (3) Both sides agree that this Nation should at all times avoid entangling alliances or involvements with other nations.
- (4) Both sides agree that in the event of foreign wars this Nation should maintain a status of strict neutrality, and that around the structure of neutrality we should so shape our policies as to keep this country from being drawn into war.

Summarized, the Secretary of State's views tend to prove that both sides are definitely agreed that we must stay out of war.

Proceeding from there, three lines of thought are indicated:

That repeal of the present arms embargo is—

First. Consistent with neutrality;

Second. Unneutral; or

Third. An immaterial consideration.

If we follow the line of reasoning developed by Sir Edward Grey in his interview with Ambassador Page relative to the proposed Hitchcock bill to embargo the shipment of arms, munitions, and implements of war to any belligerent, during the course of which the British Minister of Foreign Affairs notified him that the enactment of such legislation during the war would constitute an unneutral act, the answer is plain and unequivocal; a change in our municipal legislation favoring one party would be an unneutral act. Would it be any less unneutral during the present crisis?

I shall now read to my colleagues a telegram sent by the American Ambassador on December 11, 1914, to the Secretary of State of the United States, and I wish Senators would compare what was said at that time with the position which England is now taking:

AMERICAN EMBASSY,  
London, December 11, 1914—6 p. m.,  
[Received 7:20 p. m.]

1247. Sir Edward Grey unofficially expressed the hope to me that the bill introduced by Mr. Hitchcock in the Senate will not pass, aimed to prohibit the exportation by private firms of munitions of war to any belligerent. He calls attention to the fact that this would be special legislation passed while war is in progress, making a radical departure from a long-established custom, and that for this reason (it would appear?) an unneutral act toward the belligerents that can profit by it.

AMERICAN AMBASSADOR.

But in our recent discussions, the economic arguments of increased profits, the dangers to our shipping industry, and the limitations upon export trade, far overshadow any more strictly legal preoccupations.

ANALYSIS OF PRINCIPAL PROVISIONS OF H. J. RES. 306

Mr. President, extended over a period of 4 years, and closely related to the revelations of the Nye subcommittee



investigating activities of munitions manufacturers, the Congress of the United States has been discussing on the floors of both Houses and off the floors, in season and out, the perplexing question of American neutrality in the event of a European conflict. Now the war is here, and again Congress has been convened, this time in extraordinary session, to consider the ways and means of neutrality.

An analysis of the principal provisions of the pending joint resolution may serve to clarify the atmosphere.

First. American vessels are restricted in their trade with belligerents.

Second. The title, or legal property interest, in any goods sold to belligerents must be vested in them or their agencies before such goods leave the United States.

Third. The travel of citizens of the United States in combat areas to be defined by the President is limited, and travel on vessels of a belligerent is declared to be unlawful. Special exemptions are provided for the American Red Cross.

Fourth. The arming of American merchant vessels, except for purposes of internal discipline, is prohibited.

Fifth. A specific exemption is provided for any American republic engaged in war against a non-American state, unless the said American republic is cooperating with the non-American state in a belligerent capacity.

Sixth. Provision is made to prevent vessels leaving American ports to serve as auxiliaries to belligerent vessels of war.

Seventh. The President is authorized to restrict the use of the ports and territorial waters of the United States by "the submarines or armed merchant vessels of a foreign state" and may, in his discretion, make it unlawful for submarines or armed merchant vessels to enter the ports or territorial waters of the United States or to depart therefrom.

Eighth. The National Munitions Control Board is continued in effect with the same duties as heretofore.

Appropriate penalties are provided for the violation of these various provisions.

Mr. President, I believe I have given a fair analysis of what the pending joint resolution provides. The analysis reveals that the President is to be given rather broad discretionary powers. Thus, he is to define combat areas, announce the articles or materials which are not to be carried in our overseas trade, and decide whether submarines or armed merchant vessels of foreign states are to be excluded from our ports or territorial waters and, if declared desirable, to intern them.

The bitterest controversy rages around the repeal of the embargo provisions of the present law.

But it is submitted that the issue today confronting the people of the United States is peace. Peace cannot be achieved by going into war, be the entry ever so gradual. The neutrality debate has resulted in confusion worse confounded, comparable to a dense fog beclouding the true issue while the United States teeters dangerously on the brink of involvement. While the propagandists, foreign and domestic, are hard at work with the concerted plan for drawing the United States into their mesh of interminable intrigue and devastating power politics, Congress seeks to insure neutrality. But in the conduct of foreign relations the President has an enormous power which is largely discretionary.

A brief analysis of our past experience is helpful if history is to be more than an idle study. In 1914 the firm desire of the people was for peace. In 1915 Mr. Wilson still adhered to the policy of neutrality, but the propagandists and profiteers were carrying on a remarkable campaign of unneutrality. Whatever their motives, base, glorious, or indifferent, the results would indicate that the means, the methods employed, were highly effective.

"He kept us out of war" was the keynote of the 1916 Democratic Convention, the real keynote of the country's wishes. Five months later Wilson was reelected with this slogan. Within another 5 months we were at war.

Should the pending joint resolution be passed, what is to be expected? President Roosevelt referred to our only other experience with embargoes as follows:

The single exception was the policy adopted by this Nation during the Napoleonic wars, when, seeking to avoid involvement, we acted for some years under the so-called Embargo and Nonintercourse Acts. That policy turned out to be a disastrous failure—first, because it brought our own Nation close to ruin, and, second, because it was the major cause of bringing us into active participation in European wars in our own War of 1812. (Dulles and Armstrong, *Can America Stay Neutral?* p. 242.)

Our previous experience with embargoes is illuminating. The charges that proponents and opponents of the present neutrality measure are either pro-German or pro-Ally had a forerunner in a speech delivered in the Senate on November 24, 1808, by William Branch Giles, in which he said—and I ask Senators to compare the words spoken in those days with the words spoken today:

Mr. President, perhaps the greatest inconvenience attending popular governments consists in this: That whenever the union and energy of the people are most required to resist foreign aggressions, the pressure of these aggressions presents most temptations to distrust and divisions. (Mr. William Branch Giles' speech in the Senate, November 24, 1808, p. 12.)

A similarly well-guarded expression is found in an anonymous letter to John Quincy Adams attacking the latter's stand on the embargo question:

It is a long time, sir, since I have found any man act the part of an American in politics. (Letter to John Quincy Adams by Alfred (1808), p. 13.)

Nor are the present philippics occupying both the press and the Congress without precedent. At the opening session of the bitter fight against the Jeffersonian embargo in 1808, James Sloan, a Member of the House of Representatives, addressed that body thus:

As appears from the progress already made, it is pretty well ascertained that the embargo will occupy the greater part, if not the whole, of the present session; if a majority of the House is determined to keep the people in their present state of suffering and suspense until spring, the least they can do during the dreary scenes of winter will be to continue diverting them with eloquent speeches of all sorts and sizes, from 15 minutes to 4 hours long. (Speech by James Sloan (1808), p. 14.)

The contention that the export policy of the United States is a purely internal matter, affecting no one but the United States, was also vigorously advanced in 1808. Congressman B. Gardinier, sometime in December 1808, while addressing the House, noted that Canning had made stout denials of such a theory of embargo. Gardinier maintained that the embargo made us, in effect, an auxiliary of France, just as present opponents of the existing embargo insist that it is, in effect, unneutral assistance to Germany.

The impression that the Allies stand between the United States and a Hitler invasion had its adherents in the 1808 controversy, with this small change of detail that the reputed dictator was called Napoleon and not Adolf. Canning himself set the keynote of the argument with the declaration that—

The strength and power of Great Britain are not for herself only, but for the world.

Gardinier, an outspoken proponent of repeal of the embargo, enlarged Canning's contention in terms being echoed currently with change of characters:

Let me detain the House one moment to inquire what is the character of the war which is now carried on in Europe. It is, on one side, a war for conquest, for universal dominion; on the other, for self-preservation. \* \* \* I wish neither power to be able to break down the other. I fear the power of either when the other shall have been broken down. Therefore—and not because I think more justice or kindness is to be expected from the one than the other—I cannot but hope that Great Britain may maintain her ground. Yes, sir; that country is indeed the barrier between Bonaparte and universal empire, not because her morals have undergone any change for the better since she combined her force with the powers of the Continent but from necessity from the fortune of war. She is the only power which can hope successfully to resist the strides of France. She is the defense of the world, because in defending herself she necessarily protects all others who stand behind her. They cannot be reached until she is first broken down. But that done, the power of France overwhelms the universe.

The Federal Party of Schenectady, N. Y., in a report on the present alarming state of national affairs, declared:

The interest of the country, the voice of the Nation, is for peace—a fair, manly, impartial neutrality. Our situation is such

that we cannot help being affected by the two great contending powers of Europe. When we reflect what they are and what we are, our situation is truly critical. Behold continental Europe. France has destroyed by her power, corrupted by her intrigues, and poisoned by her philosophy to such a degree that every power on the continent of Europe, at this moment, lies prostrate at her feet, groaning under the most execrable tyranny. Who is ignorant of this? Who does not know that Great Britain is maintaining a manly contest for her very existence, her religion, her liberty, her law? Who does not acknowledge that the British Navy alone stands betwixt us and the iron grasp of Bonaparte? Who among us believes that if Britain falls we shall maintain our independence?

Change the characters around, and we have the arguments of 1939. Then, as now, the defense put up by the proponents of the embargo emphasized the safety to American peace and American citizens that the embargo secured.

In a statement published by the Republican Party of New York in 1808, this argument finds the following expression:

Laws that have followed the footsteps of civilization, principles rendered venerable by their justice and antiquity, rules which during centuries had established and confirmed the relative rights and duties of neutrals and belligerents, have been openly disregarded. The moral code of nations has been sternly prostrated, and every privilege of independent states subverted, by the arbitrary will of despotism and by the power of the sword.

Far distant from these dreadful scenes of contention and of blood; pursuing an equitable and peaceful policy; reposing itself upon wisdom, justice, and impartiality of its measures, our administration fondly hoped that the distant tempest would not approach, or but slightly affect, our shores. Extending our national hospitality to every people; rendering equal justice to all; conferring upon none a privilege of favor that was denied another; considering them alike as friends in peace and enemies alone in war, it was the only wish of the Government to afford security to the citizen, and to protect him in those useful pursuits of agriculture, commerce, and industry which are equally essential to subsistence and happiness.

The provision of the pending measure prohibiting shipments to belligerents in American bottoms is an effort, among other things, to protect the lives of Americans. Of perhaps more transcendent importance is the oft-voiced fear of the proposal to restrict belligerents.

The fatal vice in the argument that our former experience with an embargo caused our entry into war lies in the failure to recognize a basic dissimilarity. War was being waged in Europe when we changed our legislation. When we adopted our present embargo peace still reigned supreme. Only last May the Congress refused to change this legislation. Should we now follow the dangerous precedent of 1807-12 and change our legislation during war?

I exhort you, my colleagues, to weigh carefully the consequences.

#### DISPOSITION OF ARGUMENTS ADVANCED IN FAVOR OF REPEALING THE ARMS EMBARGO

Getting to the real issue, it has been suggested that there is no difference between the sale of munitions, arms, and implements of war and the sale of raw materials.

The suggestion that fundamentally there is no real distinction between the sale of munitions and the sale of raw materials is not difficult to meet. In the first place, there is no certainty that cotton will be manufactured into gun cotton, or that wool can be used only for uniforms; but there is a deadly certainty that machine guns, bombs, and pursuit planes can have but one purpose—death and destruction.

Preferable to the unlimited sale of raw materials would be a return to President Roosevelt's original suggestion—mentioned above—that we should limit our exports to the normal peacetime requirements of those belligerents who purchase from us.

There is another aspect of this traffic in arms and munitions that we cannot afford to overlook. Under this joint resolution, what is there to prevent neutral countries from purchasing quantities of these implements of war and transshipping them to Germany?

Perhaps the popular appeal of a sympathetic attitude toward England and France has overlooked the fact that bullets marked "Made in the U. S. A." may be killing British and French soldiers in the field. Personally, I discount these reasons, so called, when I am aware that the munitions manufacturer will not be concerned with the nationality of the money that buys his goods, so long as it is money. Are our Stars and Stripes soon to be replaced by the dollar sign? Shall we earn the appellation of "Uncle Shylock" so gratuitously

bestowed upon us by our grateful (?) debtors when we gently suggested the repayment of the war debts some 15 years ago? If, as the senior Senator from New York [Mr. WAGNER] has said, the repeal of the arms embargo will affect only a small part of our trade—in other words, if it is so insignificant, why repeal it, especially if by retaining it we may retain our peace?

I am sorry the Senator from New York is not present in the Chamber at the moment.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). The time of the Senator from New Mexico on the amendment has expired. The Senator has 45 more minutes to speak on the joint resolution. Does he desire to continue?

Mr. CHAVEZ. I desire to continue. I shall take only a few minutes longer.

The PRESIDING OFFICER. The Senator from New Mexico may continue.

Mr. CHAVEZ. The Senator from New York gave us statistics for the period from the outbreak of the World War to January 1917, a period of 30 months, during which the actual exports of munitions and implements of war amounted to about \$980,000,000, less than 10 percent of our war exports and only 13 percent of our exports to the Allies. (CONGRESSIONAL RECORD, p. 240, 2d sess., 76th Cong., vol. 85.) That being the case, there would seem to be no pressing need for the elimination of the embargo.

If, as I have predicted, repeal of the arms embargo is the first step to war, why take that first step?

I was happy to hear my colleague from New York emphatically reiterate the statement he made a year ago to the people of his State:

I will never vote to send troops to Europe to fight in any war. I am unalterably opposed to our country's becoming embroiled in the rivalries and the hatreds of the European continent. Our policy should be to go about our peaceful missions, without fear of anyone and without anyone's favor, taking sides with none and free from entanglements with all. (CONGRESSIONAL RECORD, p. 240, 76th Cong., 2d sess., vol. 85.)

On June 14, 1916, at the Colosseum in St. Louis, Mo., Mr. Martin Glynn, then Governor of New York, presiding as temporary chairman, said:

First. That the United States is constrained by the traditions of its past, by the logic of its present, and by the promise of its future to hold itself apart from the European warfare, to save its citizens from participation in the conflict that now devastates the nations across the seas. (P. 16, Official Report of the Proceedings of the Democratic National Convention, St. Louis, Mo., June 14-16, 1916.)

Within 9 months—I repeat, within 9 months—we were at war.

Quoting the well-known English writer, Gilbert K. Chesterton:

It is the duty of the President of the United States to protect the interests of the people of the United States. \* \* \* He can't dip his country into hell just to show the world he has a keen sense of being an individual savior.

This was the statement quoted by Mr. Glynn—page 26, Official Report of the proceedings of the Democratic National Convention, St. Louis, Mo., June 14-16, 1916. I am quoting:

Fighting for every degree of injury would mean perpetual war \* \* \* it would give us a war abroad every time the fighting cock of the European weathervane shifted with the breeze. It would make America the cockpit of the world. It would mean the adoption of imperialistic doctrines which we have denounced for over a century. It would make all the other nations the wards of the United States and the United States the keeper of the world. What would become of the Monroe Doctrine under such a policy? \* \* \* The policy of our opponents is a dream. It never could be a possibility. It is not even advanced in good faith; it is simply an appeal to passion and pride, to sympathy and prejudice, to secure partisan advantage. \* \* \* The United States proposes to profit by the experience of the ages and avoid ambitions whose reward is sorrow and whose crown is death. (Pp. 26-27, Official Report of the Proceedings of the Democratic National Convention, St. Louis, Mo., June 14-16, 1916.)

At the same Democratic National Convention a former Senator from the State of Kentucky, Ollie James—whose seat, I believe, is now occupied by our beloved majority leader—said:

Without orphaning a single American child, without widowing a single American mother, without firing a single gun, without the



shedding of a single drop of blood, he [Wilson] wrung from the most militant spirit that ever brooded above a battlefield an acknowledgment of American rights and an agreement to American demands. (P. 88, Official Report of the Proceedings of the Democratic National Convention, St. Louis, Mo., June 14-16, 1916.)

In spite of all of these eloquent speeches, indicative of the profound sentiment for peace and truly expressing the desire of the people of this country, Congress declared war on April 6, 1917. I repeat my warning, it can happen again, and unless we are careful it will happen again.

Let us review briefly the steps taken to sell this country Europe's last war. Let us observe, if we can, the factors that changed the sentiment of the people in their great desire for peace from the time of that Democratic National Convention in 1916 to the declaration of war.

Many of my colleagues, including the senior Senator from New York [Mr. WAGNER] have mentioned propaganda. Let us take a concrete example of how it really works.

The following were the methods employed by the propagandists:

First. They told only that part of the truth which benefited their cause.

Second. They utilized background material to imply things for which there was no evidence.

Third. They exploited to the fullest the emotions and sentiments of those being educated.

Fourth. They gave their propaganda an aura of authority by using big names, by quoting their enemy, or by appealing to legality.

Fifth. They made their arguments simple and eliminated all qualifying statements.

Sixth. They used endless repetition.

That may be found on page 37 of a book entitled "Propaganda for War," written by Mr. H. C. Peterson, published by the University of Oklahoma Press, and only off the press this year, 1939.

Mr. President, the art of propaganda rests largely in directing attention to that aspect of the news which will influence the person to be persuaded. The clever propagandist rarely resorts to lies; they are too easily detected and have a boomerang effect. Much safer is the policy of half-truths; they are more insidious in their effect than falsehoods. Today this exploitation of half-truths has become streamlined. As necessity is the mother of invention, when it is essential to further the cause, the propagandist can, and upon occasion will, fabricate his stories from the whole cloth. Sympathetic appeal was deemed to be essential if it was to affect the broader reaches of American public opinion. Arguments were couched in whatever language was necessary to make the most comprehensive appeal. Key men were drafted by the British War Propaganda Bureau called Wellington House, and a special division called the American Ministry of Information was installed under the direction of Sir Gilbert Parker. University professors were found especially useful in carrying on this work of purposeful misinformation. The American Who's Who was carefully scanned and the names of some 260,000 influential Americans were put on Sir Gilbert's mailing list. In addition key men were sent to the United States to make certain that the "education" of the American people would progress along sound lines.

Within the past year I have had occasion to observe that among the distinguished visitors from Great Britain who have honored us with their presence may be included, in the chronological order of their appearance on the scene, Mr. Anthony Eden, the King and Queen, Mr. Stanley Baldwin, Mr. H. G. Wells, Lord Beaverbrook, and now Mr. Alfred Duff Cooper, former first lord of the British Admiralty, and his wife.

It is most important to realize that the propagandists have available today an instrumentality that was virtually unknown 25 years ago, namely, the radio.

While I am on that subject, it is necessary to point out that when the propagandist finds a counterinfluence becoming too effective, removal is the answer. Lately we, in this land of freedom of speech, have been treated to the spectacle of men being silenced by removal from the air channels. How are

the people to see both sides if one side is muzzled? What a travesty upon our fundamental guaranties!

Referring to the last war, a most recent publication states:

A vital part of these arguments was the contention that Great Britain and the United States were sister democracies. This later developed into the argument of democracy against autocracy. Eventually the idea became current that for an American to be pro-Ally was patriotic—

This will be found on page 35 of Peterson.

Now, as to the financial interests in the war. On August 10, 1914, Secretary of State Bryan advised President Wilson that—

Money is the worst of all contrabands because it commands everything else.

Five days later Bryan wrote to J. P. Morgan & Co. stating that loans to belligerent nations would be inconsistent with the true spirit of neutrality. By October 23, Mr. Lansing persuaded President Wilson that there was a distinction between loans and credits, and that credits could be consented to without violating our neutrality. On March 31, 1915, this revised policy was made public and the untenable distinction between credits and loans became official.

By September 5, 1915, a little over a year after loans had been declared to be the worst of all contraband, President Wilson reversed Mr. Bryan's policy, and came around to Mr. Lansing's view that loans were necessary even though they might be contrary to the "true spirit of neutrality." In Mr. Lansing's own words:

Can we afford to let a declaration as to our concept of the true spirit of neutrality \* \* \* stand in the way of our Nation's interests which seem to be seriously threatened? (P. 101, Official Report of the Proceedings of the Democratic National Convention, St. Louis, Mo., June 14-16, 1916.)

Is it possible that Mr. Lansing might have meant "vested" interests instead of "national" interests? We are all familiar with the sad story of the transition from private loans on September 5, 1915, to public loans following April 6, 1917. Is this same unholy alliance at work again, this conspiracy of propagandist and profiteer, to get our gold first, then our boys, and finally our democracy? If we take this first step, and the result is war, the responsibility is ours, for we have been warned; we have been told. The responsibility is grave; the danger never greater. Let us turn back, my colleagues, before it is too late.

#### PROFITS OUT OF PEACE

No doubt, Mr. President, you have been wondering what possible suggestions might be offered of a sufficiently constructive nature to offset the anticipated profits that are expected to be realized and the frequently reiterated statement that Britain and France represent the first line of defense of the American democracy.

My resolution, if you please—and I offer it in the humblest and meekest way for what it is worth—is to substitute the formula "profits out of peace" for "profits out of war." How are we to accomplish this?

First. Develop our national defense—at peacetime prices for labor and materials—to such a point that no nation or combination of nations would dare attack us.

Second. Cultivate our economic relations with Latin America, if necessary, by subsidizing our shipping.

Third. Provide funds for the construction of a Nicaraguan Canal and possibly the Mexican-Tehuantepec Canal.

Fourth. Build additional transcontinental highways to and through Latin America comparable to the projected pan-American highway.

Fifth. Under suitable guaranties, arrange for long-term investments in improvements of a permanent nature, such as utilities, including transportation facilities, communications, and water-power resources.

Sixth. Enlargement of the facilities of the Panama Canal.

An expenditure of \$10,000,000,000 in peacetimes would make possible the development of this program. Such a sum is only one-tenth of the estimated cost of our participation in the European conflict, and will involve no loss of life and no destruction—as an aftermath—of our present political system. If we must have profits, let them be legitimate.

Two years ago, on the floor of the Senate, our distinguished colleague the junior Senator from Oklahoma [Mr. LEE] made a statement from which I desire to quote. Notwithstanding that he now feels differently about this proposition, I quote him, not with the idea of criticizing his present state of mind, for I know he is sincere and has all the integrity of an honest, just man, but because the argument he made 2 years ago still seems sound to me. The words spoken by the Senator from Oklahoma convinced me then, and I remain convinced. The quotation is taken from volume 81 of the CONGRESSIONAL RECORD, part 2, pages 1796-1798.

The ex-service man hates war with every atom and fiber of his being, because he knows the futility of it. War never proved which side was wrong. It only proved which side was strong, and the ex-service man knows that.

I have listened to the debate on this neutrality measure. I had no intention of taking part in the debate until I heard arguments to the effect, or leaving the impression on me, at least, that property and property rights were to be considered in the same balance as blood and human rights. I cannot restrain myself from speaking on this subject.

Therefore to argue that one should vote against this resolution because it does not take the profits out of war is not, as I see it, in point. I am going to support this resolution because it places an embargo on munitions to belligerents.

I walk down the street and see two boys quarrelling. I give one a pair of knuckles and the other one a club, and then I stand back and watch them destroy each other. A crowd gathers and I say, "I am not taking any part in the struggle." I am obviously lying. The crowd knows I am a liar and a hypocrite.

America could furnish the munitions for a war and then we could shout from the housetops that we are a peace-loving nation. Our words would whisper "peace," but our actions would thunder "war." Therefore I am going to support the resolution.

The Senator from Oklahoma further remarked—page 1798:

Then one day my own buddy came in from the drill field soaked through to the skin, although he was covered by that flimsy raincoat sold to the Government by the manufacturer who had chiseled the Government in its sale. Next day my buddy went to the hospital, and then to the morgue. As I stood there at the station and fired a salute over the flag-wrapped body of my own buddy I took the vow in my own heart which I am keeping now. I said, "I will make my next war on war profits and do everything one man can do to bring about every condition that will remove, so far as it is humanly possible to do it, any possibility of war."

I am speaking today for those who cannot speak. I am talking for lips that have been sealed with the seal of death. I ask those men who weigh property rights in this debate, who are so interested and concerned about property rights, if they have ever gone into the hospitals and seen the living dead, the gassed lungs, the boys suffering with the white plague, merely waiting for the end. Could they weigh property against that? Have they ever been to one of our insane asylums and seen those shell-shocked boys? Their bodies came back but their minds did not. Can they do that and then talk property as against human rights as they are doing in this debate?

The Senator from Oklahoma further remarked—page 1798:

I am speaking for that man who cannot speak. I am speaking for what is represented by the wooden crosses of the United States in our greatest war cemetery. Cannot Senators hear the mute eloquent appeal they made, "Don't put property in the scale with blood"?

The Senator convinced me then. He still has me convinced.

But, Mr. President, there are other ways of making profits, since profits seem to weigh so heavily in the balance—profits out of peace, permanent profits which will give our future generations something to be thankful for, profits resulting from investments which will continue to yield a return in years to come. If we must be international philanthropists, let us begin in the Western Hemisphere. Let our own people and our immediate neighbors to the south of the Rio Grande benefit from a wise and farsighted policy that will knit the peoples of this hemisphere more closely together. Let us have done with European hallucinations and the will-o'-the-wisp of a decadent continent.

I am entirely in sympathy with those who protest that we must have a program for keeping out of this war. Lack of organized effort, a failure to comprehend the danger—these and other factors will contribute their share to the pathetic shortsightedness that will sell America short.

I have no patience with warmongers, whether they be inspired by the passion of greed or deluded by a false senti-

mentality that betrays them. Frankly, I should feel much more secure if we had a law making it mandatory for residents of the United States who voice a desire to go to war to go overseas and fight. My feeling is that if we had such a law much of the loose talk about intervention would end forthwith.

Reverting to our shipping interests and the possibility of developing a merchant marine second to none, at present we have some 326 ocean-going ships, totaling a little over 2,000,000 tons, and representing an investment of approximately \$150,000,000. Curiously enough, this represents only a small fraction of the amount spent by the women of this country on cosmetics. We have the best possible opportunity at this time of building, not only the greatest Navy and air force, but of developing our merchant marine into a modern and efficient instrumentality of commerce. We need replacements. We need to modernize our shipping. To those who would say that it takes time to build battleships and to train aviators, my answer is, Let us start now! To meet the argument of those who would tell us that if we do not take a hand in the European situation our own shores will be threatened, my answer is, Let us safeguard ourselves by appropriating the funds necessary for the defense of our own shores. If it takes a two-ocean navy and another canal, now is the time to do it!

We have been so preoccupied of late with events in Europe that the conflict in Asia has quite escaped us. How do we know where the real peril lies? Very little is being said about the Asiatic controversy, yet it still continues.

My point is that our people want peace. Peace with prosperity is not unattainable. Profits out of peace can secure us against war and its dread aftermath, revolution.

Let us pause a moment and envisage the possible results of Germany's destruction. A dismembered Germany would fall an easy prey to the extension of the Communist principle. Do we want any part of that? Yet how are we to avoid it if we repeat the mistakes we have made?

In considering repeal of the arms embargo we have something more to consider than the effect upon our own country. Will not repeal be taken as a definite indication of our determination to help the Allied Powers? Can we sit back complacently and say, "We want to be just a little bit unneutral"? Is there such a thing as being "just a little bit unneutral"? Is there such a thing as being "just a little bit dead"? Or are we either dead or alive? If we are "a little bit unneutral," how long will it be before we shall have gone the whole way?

Let us be honest with ourselves, and admit that this is the crossroads; that if we turn down the gruesome road marked "War," our objective is not peace. The two concepts are not compatible. But, Mr. President, there is a solution. That solution calls for the best efforts of Congress and of the administration to provide a peace that will stimulate productive activity along the avenues of peace. Let us turn our backs upon the ill-gotten gains of the sale of munitions and implements of war. Such gains result in Pyrrhic victory—the kind of victory about which our descendants may well say, "Would to God we had never won!"

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK] to the amendment in the nature of a substitute.

Mr. STEWART obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. STEWART. I yield to the Senator from Michigan.

Mr. VANDENBERG. On October 17 I submitted to the Secretary of the Treasury a questionnaire regarding certain phases of the pending proposal as it might affect the fiscal policy of the Government. I have just received the Secretary's reply. While I myself wish later to discuss it, it occurs to me at the moment that I owe it to the Senate to make the information immediately available to all Senators. Therefore I ask the able Senator from Tennessee if he will yield to me to permit the Secretary's letter to be read at the desk.

The PRESIDING OFFICER. Does the Senator from Tennessee yield for that purpose?



Mr. STEWART. Yes; I yield.

The PRESIDING OFFICER. Without objection, the letter will be read.

The legislative clerk read as follows:

THE SECRETARY OF THE TREASURY,  
Washington, October 24, 1939.

MY DEAR SENATOR: I should like to answer in some detail the questions in your letter of October 17, so as to clarify certain aspects of problems relating to gold.

You write:

"I assume that you are continuing to purchase at \$35 an ounce, all foreign gold that is offered. In view of depreciated foreign currencies, is not this equivalent to paying considerably more than \$35 an ounce so far as the foreign seller is concerned?"

I am uncertain what you mean by this question. It is subject to several different interpretations and, to make certain that you obtain the information you ask, I will endeavor to answer each of them separately.

1. Does the question ask whether the foreign seller of gold receives more purchasing power over goods and services here than he did prior to depreciation? If that is the sense of your question, then the answer is "No." The \$35 per ounce (less one-fourth of 1 percent) which the foreign seller of gold receives probably represents less and certainly not more purchasing power in terms of goods and services in this country than it did before the depreciation of currencies in recent months. Such purchasing power of \$35 in the United States varies, of course, with changes in prices of goods and services in the United States. Since most goods and services that can be purchased here by a resident of a foreign country have risen in price during the past 2 months, it follows that the foreign seller of gold probably gets less goods and services for his \$35 now than he did a few months ago.

2. Does the question ask whether the foreigner can get more units of his own currency for gold by selling it in the United States than by selling it in his own country? If this is the sense of your question, again the answer is "No." We pay no higher price for gold (allowing for commissions, handling charges, etc.) than other countries do. After a foreign seller of gold converts the dollars he obtains for his gold into sterling, for example, he finds that he has approximately the same amount of money as he would have had if he had sold that gold in London. (For a further explanation of this, I refer you to pages 7, 8, and 9 of my letter to Senator WAGNER, dated March 22, 1939, a copy of which is enclosed for your convenience.)

3. Does the question ask whether the foreign seller of gold gets more units of his local currency for his gold now than he did before the depreciation of his currency? If this is the sense of the question, the answer is clearly "Yes." That is exactly what depreciation of a currency in terms of gold means, namely, that each unit of a depreciated currency is exchangeable for less gold.

4. Does the question ask whether the greater number of units of the depreciated currency which the foreign seller obtains for his gold can purchase more goods and services at home than could the smaller number of units he obtained for his gold before depreciation? The answer to this question is probably "Yes." Prices in the country of a depreciated currency do not usually rise as much as the currency depreciates for a considerable period of time, if at all. During that period the holder or producer of gold will get more local goods and services for an ounce of gold than he did before. But he gets more goods only if he buys goods at home; furthermore, he gets more goods for an ounce of gold not because we continue to pay \$35 an ounce for gold but because his own country gives more units of its currency for an ounce of gold.

When taken in the context of your whole letter, one further possible interpretation of your question suggests itself. You may be asking whether the recent depreciation of foreign currencies will of itself lead to an increased inflow of gold. If this is the sense of your question, the answer is probably "No." It is, of course, impossible to foretell at this time the total effect of a Europe at war upon our balance of payments. The specific effect of the recent depreciations of foreign currencies, however, would clearly seem to operate in the direction of a reduction in gold offerings. Depreciation of foreign currencies vis-a-vis the dollar means that American goods and services are less attractive to the foreigner, because he must give more of his own currency in exchange for a dollar's worth of merchandise than formerly. In other words, the depreciation of foreign currencies is a factor which operates in the direction of reducing our exports to and increasing our imports from the countries involved. Thus the effect of the change will tend to reduce our favorable balance of trade and consequently such inflow of gold as may be attributable to our export surplus. It is true that price changes may in time offset the effect on the relative attractiveness of foreign and American goods initiated by the depreciation of foreign currencies. But even in normal times this adjustment usually does not take place for some time.

You ask the further question:

"If we put our foreign trade with belligerents on a strict cash-and-carry basis, will it not be likely to substantially increase this inflow of foreign gold—perhaps to so dangerous an extent that we finally shall practically monopolize the world's gold supply?"

The prohibition of credits to belligerent governments may possibly have the effect of reducing our exports to belligerent countries. This might in turn reduce the value of our total exports compared with what our exports would be were the prohibition not included in the Neutrality Act. Were the belligerent governments to purchase some of their imports from the United States on credit, a

portion of the payments due us might be postponed. However, whether this postponement would result even in a temporary reduction in the inflow of gold cannot be forecast because:

(1) It is not known what proportion of the dollars used for payments would be acquired from the sale to us of gold and what proportion would be acquired from other sources.

(2) It is not known whether an extension of credits to belligerents would result in greater purchases from the United States or whether there would simply be a substitution of some credit purchases for cash purchases. Only in the latter instance would it be possible for part of the inflow of gold to the United States to be postponed. In the former case it would mean that the gold inflow would be the same over the short period of time and would be greater at some subsequent time when credits were liquidated.

You ask this further question with respect to gold:

"Would this [increased inflow of gold] not seriously threaten the world's subsequent return to the use of monetary gold and thus relatively threaten the ultimate value of our own enormous gold hoard?"

This war demonstrates, if any demonstration were needed, that gold constitutes the best form in which foreign-exchange resources can be held. Even under the most difficult conditions of war belligerent governments which possess gold can buy with it anything that is for sale.

The new situation in world trade brought about by the war in Europe will, of course, introduce some changes in the distribution of gold among the nations of the world. Belligerent countries will probably lose gold, but numerous neutral countries, which now have little gold, may be put in a position to increase their holdings as a result of improvements in their trade balances. As a consequence, the war may well have the effect of causing a wider distribution of gold among the countries of the world. Such an increase in gold holdings by many countries would give more countries a stake in the continuation of gold as a medium of international payments. The gold-producing countries, of course—including the British Empire, which now produces half the world's gold—will continue to have a vital interest in the use of gold as a monetary metal.

These considerations, as well as others, indicate that gold will emerge from this disturbed period with added prestige as the international medium of exchange. For further discussion of the future usefulness of gold as a monetary metal you may wish to refer to pages 16, 17, 18, and 19 of my letter to Senator WAGNER, referred to above.

Your last question on gold relates to a suggested change in our monetary policy. You ask:

"Should not the purchase of foreign gold be curtailed and re-priced at least for the period of the war?"

I am not clear whether by repricing gold you have in mind an increase or a decrease in the price of gold. I judge from the context of your letter, however, that you are inquiring about the effects of a reduction in the dollar price of gold.

My views with respect to the consequences of reductions in the price of gold are fully set forth in my letter to Senator WAGNER referred to above. The discussion appears on pages 13 to 16 of that letter, and I think it may be appropriately reread in connection with your inquiry.

You raise the question of the advisability of reducing the price of gold "for the period of the war." Any substantial change in the price of gold which is known to be temporary would have seriously disrupting influences on trade and international capital flows. It would introduce a still greater risk element in business relations with foreign countries and would, moreover, increase world speculation in dollar exchange.

I now turn to the question in your letter referring to the stabilization fund.

You write:

"I should like to inquire—if I am entitled to the information—whether the stabilization fund is now being used in connection with the stabilization of the British pound and the French franc; and whether there is any stabilization agreement under which we continue to operate in conjunction with England and France or any other foreign countries."

When I appeared before the Senate Committee on Banking and Currency last March, Senator TAFT raised the following question:

"Suppose there is a foreign war, and suppose you go out and do what you can to buy \$2,000,000,000 worth of pounds. Isn't the effect of that to give England the power to buy \$2,000,000,000 worth of goods in this country under the cash-and-carry provisions?"

I would like to reaffirm the position which I took at that time. My reply was, and still is, as follows:

"Senators, if there is a war in any foreign country, before we would use the stabilization fund or any money in the Treasury to assist any country in prosecuting that war, I would come up before the proper committee and ask for guidance."

The stabilization fund is not acquiring any currencies of belligerent countries and is holding only a trifling amount of foreign currencies of belligerent countries acquired long before the outbreak of the war.

I trust that this furnishes you with the information you requested.

Sincerely,

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

HON. ARTHUR H. VANDENBERG,  
United States Senate.

Mr. VANDENBERG. Mr. President, will the Senator indulge me just a moment further in order that I may complete the record?

The PRESIDING OFFICER. Does the Senator from Tennessee yield further to the Senator from Michigan?

Mr. STEWART. I yield.

Mr. VANDENBERG. The Secretary neglected to answer one question which I submitted, namely, whether there is any stabilization agreement under which we continue to operate in conjunction with England and France or any other foreign country.

After the receipt of the Secretary's letter this morning I called his attention to this omission, and he makes the following answer over the telephone, which I now read to the Senate in order to complete the record. Secretary Morgenthau said:

I have only a day-to-day agreement with England, France, Holland, Switzerland, and Belgium, to deal on their orders for their account, not our account, with settlements at the end of each day. There have been no such transactions since the war started.

Mr. President, this completes the record. It will be subject to reference later when we reach that portion of the debate dealing with the fiscal consequences of the pending legislation.

I am greatly indebted to the able Senator from Tennessee for his courtesy.

Mr. STEWART. Mr. President, neutrality, in popular thought, merely means keeping out of war. For several days now the United States Senate has been debating the so-called neutrality joint resolution, and all viewpoints have been well presented; so well, in fact, that at this hour it seems little remains to be said that has not already been said.

It is pretty well understood by the public in general that the present neutrality law prevents the shipment of ammunition and implements of war to any countries that have declared war. This has been referred to generally as the embargo law. The proclamation recently issued by the President of the United States enumerates the countries to which munitions cannot be sold or shipped, and included in this list are Germany, England, and France, along with several others. Even Canada, our neighbor to the north of us, is included.

Attention has been called, however, to the fact that this embargo law does not prevent American vessels from going into the war zone and does not prevent the sale to the warring countries of articles that would not be considered munitions of war. Also, attention has been called to the fact that American citizens are not prevented from going upon American vessels or upon vessels of the various belligerents riding the high seas and into the danger zone. It has been pretty generally stated that American involvement in the last war, known as the World War, was brought about by the sinking of vessels belonging to America and Americans, and by the killing of American citizens who were passengers upon ships owned and operated by the countries involved in that war.

The joint resolution now being considered by the Congress, which has for its purpose the repeal of the present neutrality law and the lifting of the embargo on war munitions, provides that America may sell to warring nations, or to any nation, munitions of war as well as other commodities which this country might have for sale, on a cash basis, but that these war munitions or commodities must be purchased at American seaports and paid for there, and carried away in vessels belonging to or provided by the purchaser; that no American vessel can enter the war zone carrying either munitions of war, American merchandise, or passengers. It further provides that the citizens of America cannot enter the danger zone upon belligerent vessels.

We have, therefore, in the repeal measure, which I stated is now being considered by Congress, provisions which at least within our time have never before been set up. I refer, of course, to the fact that American vessels and American citizens, after the passage of this measure, will be required to stay out of the war zones. It seems to me that this provision, or that these provisions, which so prevent the entering of war

zones by American vessels, or American citizens, is the most intelligent step America could possibly take to the end that nothing might happen which would involve us in the European conflict. These precautions certainly remove from the picture the very things that caused us to enter the World War in 1917, and with these causes removed, I do not see that more can be done by the Congress at this time.

The difference, therefore, between the present embargo law—sometimes called the neutrality law—and this repeal measure lies in the fact that one permits the roving at random on the high seas in the war zones and elsewhere by American vessels and the travel by American citizens into the war zones and elsewhere upon ships of any kind, and the repeal measure prohibits all these things.

I favor the repeal of the present neutrality law because I believe its repeal offers greater security to America and materially lessens the danger of involvement on the part of America, and removes from the scene entirely the chance for incidents such as occurred between 1914 and 1917.

It might be said, therefore, that the provisions of this repeal resolution which so keep our ships and citizens out of danger zones, are the outgrowth of experience gained by America out of the World War of less than 25 years ago; and it certainly seems to me that it is but common sense for us to insist that our people be kept away from the area in which a war is being fought.

Mr. President, during the period in which this question has been debated in the United States Senate, there have been many expressions of opinion and feeling with respect to whether America is, or should, after a manner of speaking, take sides with one or the other warring groups. Regardless of any expressed viewpoint in this particular it seems to be the unanimous feeling of the Senate that this is one war America must stay out of. And this feeling is true without regard to whether Members of this body favor retention of the present law, or repeal of the present law, for they are of one accord in their expression of feeling and determination that the security of America comes first. The debate in the Senate has been conducted on a high plane and very little, if any, personal feeling has been manifested, because behind it all America's interest and welfare are paramount.

I believe the American people can safely depend upon Congress to do the thing which is least likely to drag America into the present war, and it seems that sentiment to this end is so strong that the danger of us ever becoming involved is far less than it was at any time prior to our entering into the World War. I think, therefore, it can be safely said that America is not going to enter this war regardless of its outcome, and I think that is the sane and sensible attitude to take.

We have been advised by the leaders in the American Government for over a century that America should avoid foreign entanglements, and this sort of advice has always been good, but certainly never sounder advice than at this particular time. Those who founded this country, and others who as the years have passed by, have left European countries and come to America to become citizens of our Republic, left those countries because of the constant turmoil that existed and has always existed in Europe, and because of the persecutions of many kinds to which they were subjected. They come here seeking peace and freedom.

We all love our America and like to think of it as an America of freedom, of Christianity, of life, and a country where ambition is encouraged and opportunity offered.

We think of these things, of peace, happiness, and contentment, rather than of war, death, and destruction. We think of the life we enjoy and the future of America, and we think of this life as a vital thing, and our people as a strong, virile race which founded and now maintains this country and its Government because of their love for the peace and freedom that we here are permitted to enjoy. It is for these things that those who have gone before us have suffered and died, and we want to maintain this America as such a land of freedom and tolerance, free from the political intrigues of Europe. This we cannot do if we meddle in European affairs and permit American soldiers to be sent abroad to fight



upon foreign soil for the purpose of helping settle questions as old as time and which should be of little concern to us. We are located in the Western Hemisphere 3,000 miles removed from the scene of this European conflict. Our chief interest is and should continue to be the welfare of our country, our people, and those who exist on this hemisphere. We should, therefore, see to it that our country has a full, complete, and thorough means of defense to the end that we might protect ourselves from attack and that those enemies of our government who live among us should be segregated or removed to a place where they are less likely to endanger our Government by the spreading of false propaganda and the doing of other things that are un-American.

Again, on the proposition of maintaining our peace, I think the American Nation is 100 percent united, and for myself, I have little fear of future involvements in foreign wars. I think that at no time should we become excited or hysterical about the matter which is now before the Congress. The majority here against war is now so great that war talk seems almost foolish. So let America return to its daily tasks with a feeling of security and safety in the hands of those who represent her in Washington, and not become excited about propaganda. There just is not going to be a war so far as we are concerned.

I spoke of profiting from our experience in the last war. In that war about 100,000 young men were killed and many more than that were maimed for life. We are yet building hospitals to care for veterans of that conflict and paying to many more compensation and pensions. We have learned that war is costly in life, health, and dollars.

And so, Mr. President, I hope that we may soon have a vote on the joint resolution, put it behind us, and turn our attention to a complete development of our national defense, and to clearing out those who are not in sympathy with America and its institutions of government.

It was Theodore Roosevelt who said:

We can have no 50-50 allegiance in this country. Either a man is an American and nothing else, or he is not an American at all. We are akin by blood and descent to most of the nations of Europe; but we are separate from all of them; we are a new and distinct nation.

Mr. JOHNSON of Colorado rose.

Mr. HILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Alabama?

Mr. STEWART. Mr. President, I had an agreement with the Senator from Colorado [Mr. JOHNSON] to yield to him, as he expected to follow me when I had concluded my remarks. However, I am glad to yield to the Senator from Alabama at this time.

Mr. HILL. Mr. President, the Senator from Tennessee has emphasized the thought that we ought to bring the joint resolution to action, to a conclusion. The Senator is bound to realize that we have had full and free and complete debate on the joint resolution. We have had speech after speech, some of them hours in length. Does not the Senator really think that every day we fail to act on the joint resolution, to bring the matter to an end, even though we may not actually be endangering our country, certainly we are inviting danger for our country, as illustrated by the seizure of the *City of Flint* by a German cruiser? Had this joint resolution been on the statute books that ship would not have been in the waters in which she was seized; therefore she would not have been seized. Does not the Senator think it is of paramount interest to the country, for the safety and peace and protection of our country, that we proceed to act quickly on the joint resolution?

Mr. STEWART. Mr. President, in the few brief remarks I have made I repeated several times the difference between the present embargo law and this proposed repeal act, and pointed out that the one permits American vessels to rove at random on the high seas and the other prevents it. Mr. President, I think that the quicker a law can be passed which will keep American vessels out of the danger zones, the sooner will we be able to say that we have taken advantage

of the experience we gleaned from the war of more than 20 years ago.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. CLARK of Missouri. I simply wish to inquire why the Senator from Alabama selects the case of the *City of Flint* as an example, inasmuch as the *City of Flint* apparently was seized under precisely the same pretensions that were made by the British, and quietly acceded to after some protest by the United States during the last war? In other words, I should like to know why it is that the British can enforce maritime law, and that whenever any other nation attempts to follow the same rule an international incident is created?

Mr. HILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee again yield to the Senator from Alabama?

Mr. STEWART. I yield.

Mr. HILL. I selected the case of the *City of Flint* because I think it is a glaring example of what we are going to experience unless we proceed without delay to enact the joint resolution into law. What we want to do is to keep American ships out of the danger zones, so they will not be subject to seizure, or any interference or action by Britain or Germany or any other country.

Mr. CLARK of Missouri. Mr. President, if the Senator from Tennessee will permit me one further moment, it seems to me it does not lie in the mouth of the Senator from Alabama or any other Senator who voted against the Tobey motion to recommit, to rise on the floor and talk about the paramount importance of the enactment of the joint resolution, because, so far as the cash-and-carry provision for keeping American ships out of danger zones is concerned, that portion of the legislation could have been passed almost by unanimous consent at the last session of the Congress, or on any day since the present session of the Congress began. It is only because of the insistence that the present neutrality law be emasculated by the repeal of the arms embargo that there has been any delay whatever.

Mr. PITTMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Nevada?

Mr. STEWART. I yield the floor.

Mr. JOHNSON of Colorado. Mr. President—

The PRESIDING OFFICER. The Senator from Colorado [Mr. JOHNSON] is recognized.

Mr. JOHNSON of Colorado. I yield to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Colorado yields to the Senator from Nevada.

Mr. PITTMAN. I thank the Senator.

Mr. President, I think the Senator from Missouri is mistaken in believing that the so-called Tobey motion would have resulted in any more expeditious action than is now being had. While the so-called Tobey motion instructed the committee to separate the proposed substitute, it could not instruct the United States Senate as to what it should do. When the measure should have returned to the floor of the Senate, all the amendments offered by the Senator from Missouri probably would have been offered. If not, I know many Senators who were not satisfied with the language of the joint resolution, and who would have offered amendments. We cannot bind the Senate in that way. The debate so far on the various amendments which have been submitted to exempt this, that, and the other would have come just the same. We could not get away from the debate on those questions. Therefore, nothing would have been accomplished by the Tobey motion.

Mr. CLARK of Missouri. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CLARK of Missouri. I do not wish to take the Senator's time; but in response to what the Senator from Nevada has said, I think the Senator from Nevada will agree that the bone of contention, the essential matter which has been

in this debate from the very beginning of the debate, is the repeal of the arms embargo. To be sure, amendments were suggested, some of them by the committee itself—that is, by the caucus of the committee—and some by individual Senators, which have been accepted by the committee caucus, and have now been agreed to by the Senate. Other amendments have been offered, and will be offered, by individual Senators; but the crux of this debate from the beginning has been the repeal of the arms embargo.

So far as concerns any suggestion on the part of the Senator from Alabama [Mr. HILL] that Senators have been guilty of endangering American interests by debating the essential issue of the arms-embargo repeal because they would not accept the cash-and-carry provision of the joint resolution, it seems to me the suggestion is entirely unwarranted.

Mr. PITTMAN. Mr. President, will the Senator further yield?

The PRESIDING OFFICER. Does the Senator from Colorado further yield?

Mr. JOHNSON of Colorado. I yield.

Mr. PITTMAN. I do not conceive that this debate would have been shortened by sending the joint resolution back to the committee to be split in two, because we are now acting on the first half of it; that is, the cash-and-carry half. I do not think any amendments have been offered so far which have not been sincere amendments. They have had consideration. There may be others which will have consideration. I think we are enacting legislation with regard to a very serious subject as expeditiously as we can.

So far as the *City of Flint* is concerned—

Mr. CLARK of Missouri. The *City of Flint* was not sunk. She was merely captured.

Mr. PITTMAN. She was captured, I presume, in accordance with international law as conceived by the German Government. As to just what international law will develop with regard to that case, no one can tell until after the facts are all adduced; and even then there will be a legal dispute, which probably will not be determined until after the war is over. I feel that the provision which prevents our vessels from arming—not only vessels dealing with belligerents, which are covered under the existing law, but also other vessels engaged in foreign commerce, which are covered by the proposed law—will put every belligerent on notice that there is no danger in approaching our ships, and that they may exercise the right of visit and search under international law, because it would be perfectly safe for a submarine to come up within 3 or 4 miles of such a vessel and send a boat to the merchant vessel, as was done in the case of the *City of Flint*. The *City of Flint* was not destroyed. She might have been sunk, under international law, after every precaution had been taken to save the lives of those on board, if she could not have been carried into port. I am contending that if the proposed law should work out as in the case of the *City of Flint*—not in dealing with belligerents, because such vessels may not deal with belligerents, but with neutrals, such as Norway and Sweden—we would protest, of course. We would file our protest to protect our rights as they may develop in the future; and that is the proper thing for the State Department to do. The question will then be tried as to whether or not the goods on board were contraband. As I say, that question cannot be determined during the war, because the warring powers will certainly determine it for themselves. There will have to be a damage suit after the war is over.

Mr. CLARK of Missouri. Mr. President, will the Senator further yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CLARK of Missouri. I entirely agree with the statement of international law made by the Senator from Nevada. What the Germans did in the case of the *City of Flint* is precisely what the French did during the World War in the case of the *Dacia*, and what was repeatedly done by the British and French during the World War. To be sure, at that time the American State Department made very vehement protests, which came to nothing very largely by reason of the representation which we had at that time at the

Court of St. James. Nevertheless, as the Senator from Nevada suggests, the matter was continued over, and claims were made after the war.

Mr. PITTMAN. In regard to filing protests to protect our rights under international law I do not think our Government will make any distinction between belligerents. I think appropriate protest will be made in every case.

Mr. CLARK of Missouri. Mr. President, will the Senator further yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. In view of the fact that the Senator from Colorado has an amendment which he is anxious to have considered at this time, and in view of the fact that a speech has already been made upon the amendment which I offered earlier in the day, I ask that I be permitted temporarily to withdraw my amendment without prejudice in the matter of the limitation of time under the agreement made yesterday.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri? None is heard, and the order is made.

The pending question is on agreeing to the amendment offered by the Senator from Colorado to the amendment in the nature of a substitute.

Mr. JOHNSON of Colorado. Mr. President, I ask that my amendment be stated at the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated for the information of the Senate.

The CHIEF CLERK. On page 15, it is proposed to strike out lines 3 to 11, inclusive, and insert in lieu thereof the following:

Section 1. (a) Whenever the President shall find that there exists a state of war between foreign states, the President shall issue a proclamation naming the states involved; and he shall, from time to time, by proclamation, name other states as and when they may become involved in the war.

Mr. JOHNSON of Colorado. Mr. President—

Mr. STEWART. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Colorado yield for that purpose?

Mr. JOHNSON of Colorado. I yield.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	King	Russell
Andrews	Donahay	La Follette	Schwartz
Austin	Downey	Lee	Schwellenbach
Bailey	Ellender	Lodge	Sheppard
Bankhead	Frazier	Lucas	Shipstead
Barbour	George	Lundeen	Slattery
Barkley	Gerry	McCarran	Smathers
Bilbo	Gibson	McKellar	Smith
Borah	Gillette	McNary	Stewart
Bridges	Green	Maloney	Taft
Brown	Guffey	Mead	Thomas, Okla.
Bulow	Gurney	Miller	Thomas, Utah
Burke	Hale	Minton	Tobey
Byrd	Harrison	Murray	Townsend
Byrnes	Hatch	Neely	Truman
Capper	Hayden	Norris	Tydings
Caraway	Herring	Nye	Vandenberg
Chandler	Hill	O'Mahoney	Van Nuys
Chavez	Holman	Overton	Wagner
Clark, Idaho	Holt	Pepper	Walsh
Clark, Mo.	Hughes	Pittman	White
Connally	Johnson, Calif.	Radcliffe	Wiley
Danaher	Johnson, Colo.	Reynolds	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present. The Senator from Colorado [Mr. JOHNSON] has the floor.

Mr. JOHNSON of Colorado. Mr. President, the amendment which the clerk has just stated I consider very vital; in fact, one of the most vital amendments that will be offered or that can be offered to the pending joint resolution.

I desire to vote for the so-called Pittman substitute and therefore am anxious to make it the best neutrality measure possible. My amendment will correct what I believe to be an unpremeditated joker in it, because my amendment will make nearly all the provisions of the pending joint resolution mandatory when foreign nations go to war and will not dele-



gate discretionary authority to the President arbitrarily to set aside its important provisions by his failure to act.

Section 1 combined with section 18 of the Pittman substitute permits international law to prevail as the foreign policy of the United States when two or more foreign nations go to war, without the compulsory imposition of one specific legislative restraint upon citizens of the United States which is not now found in international law. In its present form the pending joint resolution is a complete surrender by the Congress to the Executive of the whole foreign policy of the United States. This measure, unless my amendment be adopted to make its provisions mandatory law, is a blank check to the President to choose that foreign policy which best meets his purposes without consulting Congress or anyone else. It is an absolute delegation of the powers of Congress over neutrality to the Chief Executive.

Section 18 provides for the repeal of all neutrality legislation now on the statute books. When that repeal section has been adopted we are returned to international law pure and simple. Section 1, the master section of the pending measure, gives the President the option to make sections 2, 3, 4, 5, 6, 7, 8, and 10 operative or not operative, as his judgment may dictate.

I wish to call attention to the importance of my amendment, because, in reality, instead of amending merely one section of the joint resolution, it proposes to amend eight sections.

Mr. LODGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Massachusetts?

Mr. JOHNSON of Colorado. I gladly yield.

Mr. LODGE. Will the Senator explain why provision for concurrent action by Congress is omitted?

Mr. JOHNSON of Colorado. I will be very glad to go into that when I shall have finished my statement. I thank the Senator for reminding me of it.

The President must find before he puts them into effect that this Pittman joint resolution is necessary to promote the security or preserve the peace or protect the lives of citizens of the United States; otherwise he shall not make any of its provisions effective. If the President, exercising his best judgment, finds that simple international law will better protect the lives, preserve the peace, or promote the security of American citizens, it will, as a matter of course, be his obvious duty to stick to simple international law and not issue a proclamation naming the states involved. And if he fails to issue that proclamation, the Pittman resolution by its own terms is inoperative. In other words, the President is directed to make certain findings of judgment before he can issue the master proclamation.

Fortunately we know what sublime confidence the President places in international law. On September 21 he made known to us his position in vigorous, understandable language. Personally I do not share his confidence in it when I remember that we got into the World War because we tried to uphold it. To refresh the memories of Senators, I will read the exact words from his address delivered on September 21 before a joint session of the two Houses of Congress at the beginning of the present extraordinary session:

I seek a greater consistency through the repeal of the embargo provisions, and a return to international law. I seek reenactment of the historic and traditional American policy which, except for the disastrous interlude of the Embargo and Nonintercourse Acts, has served us well for nearly a century and a half.

Repeal of the embargo and a return to international law are the crux of this issue.

Then he named the four safeguards which he recommended. It will be noted that the Pittman resolution has eight specific safeguards, many of which are subdivided. I again quote the President's exact language:

The objective of restricting American ships from entering such zones may be attained by prohibiting such entry by the Congress; or—

Listen to this—

the result can be substantially achieved by Executive proclamation that all such voyages are solely at the risk of the American owners themselves.

Thus the President indicates two distinct methods of meeting the emergency, one by law enacted by Congress, the other by Executive proclamation. I quote further from the President:

The second objective is to prevent American citizens from traveling on belligerent vessels or in danger areas. This can also be accomplished either by legislation, through continuance in force of certain provisions of existing law, or—

And this is his other remedy—

by proclamation making it clear to all Americans that any such travel is at their own risk.

The third objective, requiring the foreign buyer to take transfer of title in this country to commodities purchased by belligerents, is also a result which can be attained by legislation or—

And this is the President's second method of meeting the third objective—

substantially achieved through due notice by proclamation.

Please note the word "substantially." Its use is very significant in indicating what is in the President's mind.

The fourth objective is the preventing of war credits to belligerents. This can be accomplished by maintaining in force existing provisions of law, or by proclamation—

I presume he means Presidential proclamation—

making it clear that if credits are granted by American citizens to belligerents, our Government will take no steps in the future to relieve them of risk or loss.

And then he made this profound observation, an observation to which I hope every Senator will give great heed:

The Congress, of course, should make its own choice of the method by which these safeguards are to be attained.

The Congress is to make the choice. Are we doing it in the pending joint resolution? Most decidedly we are not. We are leaving that decision to the President, even though he said in plain language:

The Congress, of course, should make its own choice of the method by which these safeguards are to be attained.

Can there be doubt in the mind of anyone that the President is sincerely devoted to the adoption of international law as the proper foreign policy? He openly advocates international law, supplemented by Executive proclamation to cover specific emergencies. From 1914 to April 6, 1917, we lived under international law, and we became involved in the World War because we were willing to defend our theoretical rights under international law, and if we now place our dependence upon international law we will get into this new European war.

Because of its limitations, inconsistencies, and impracticabilities, I have no qualms about voting for the repeal of the present arms embargo, but when I vote that legislation out I want to vote restrictive legislation in to take its place which will keep us out of war. The country does not want to return to international law, and I cannot vote to do that. The pending joint resolution in its present form is a return to international law with all its hazards. The President is absolutely right:

Repeal of the embargo and a return to international law are the crux of this issue.

Mr. President, I understand that as consideration of the joint resolution proceeds an amendment will be offered placing an embargo upon arms, ammunition, and implements of war in times of peace and in times of war, to everyone at all times. I shall gladly support such an amendment, because I do not feel that it is morally right to sell arms and ammunition for the destruction of human life and property. But the embargo that we find in the present law has so many limitations and so many exceptions and is so impossible of enforcement that I have no qualms at all about having it repealed. I shall gladly vote for its repeal; but, at the same time, I shall gladly vote for the imposition of an embargo on arms and ammunition which will be a real embargo. I feel very deeply on that subject.

The Committee on Foreign Relations, in the report submitted by the Senator from Nevada [Mr. PITTMAN], as chairman

of the committee, in the second paragraph makes this statement:

The committee further reports the purpose of the substitute is to preserve the neutrality and the peace of the United States and to secure the safety of its citizens and their interests. In attempting to accomplish this purpose the committee has written into the proposed substitute definite and mandatory legislation wherever discretion could be eliminated.

If the committee had done that, I should not be on the floor at the present time supporting an amendment to the joint resolution. It is because the committee failed to do that, failed to take discretion out of the joint resolution, failed to make it mandatory, that I am compelled to offer my amendment at this time.

Mr. OVERTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Louisiana?

Mr. JOHNSON of Colorado. Gladly.

Mr. OVERTON. Is it the Senator's interpretation of the amendment that it removes from the President all discretion to determine whether or not a state of war exists?

Mr. JOHNSON of Colorado. Yes. When a state of war exists between two states, the President may find a state of war to exist.

Mr. OVERTON. Suppose the President does not find it?

Mr. JOHNSON of Colorado. I do not know how we can make the provision any stronger than the present law. The President found that there was a state of war between Germany and Poland, and between Great Britain and Germany under existing law. This is merely a repetition of the present law, with the other matters of discretion taken out of it.

Mr. OVERTON. He did not find that a state of war existed between China and Japan.

Mr. JOHNSON of Colorado. Well, everybody except the President seems to know that there is a war between China and Japan; but I do not know how we can write it into the law in any stronger language. I should be glad if someone would suggest a way to make it stronger.

Mr. OVERTON. Let me ask an additional question. Suppose the Congress is of the opinion that a state of war exists between two foreign states: Why should not the Congress have authority to make the Neutrality Act applicable to such a situation?

Mr. JOHNSON of Colorado. I am glad the Senator brought up that matter, because I had planned to discuss it next. It is the same question that was asked a moment ago by the junior Senator from Massachusetts [Mr. LODGE].

I do not claim to be a constitutional lawyer. I am not even a shyster lawyer. I am not a lawyer at all. I am just a farmer, and I am no expert on the Constitution. As I understand the Constitution, however, and as I understand the division of power between the three departments of government, the provision in the joint resolution for a concurrent resolution deals with a strictly executive function. I do not think Congress can pass a law that is subject to contingencies and then sit back and say, "Well, if this happens, then we make our law effective." I do not think that is possible.

Let me state another objection that I have to the proposal of a concurrent resolution. I do not think it is practicable. Do Senators think a concurrent resolution could be gotten through the present Senate if the President did not want to act? Suppose the President did not want to act, and a concurrent resolution were introduced here, what would happen to it? It would go to the Foreign Relations Committee and would gather dust from that time on. It never would be heard from again. If it were heard from, if it were brought to the floor of the Senate, it would be overwhelmingly defeated, because the administration Senators would say, "We cannot slap the Chief Executive in that way," and it would be interpreted as a slap upon the Chief Executive. No other interpretation would be possible. So it seems to me that the proposal regarding a concurrent resolution has been put in the pending joint resolution for no other purpose than camouflage and to mislead the Senators in their interpretation of the provisions of the joint resolution.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. Gladly.

Mr. LODGE. Is it fair to say that, in the opinion of the Senator from Colorado, the present provision requiring concurrent action by Congress would, in effect, increase the Presidential discretion?

Mr. JOHNSON of Colorado. I do not think it would have the least effect upon the Presidential discretion. I think the fact that it is written into the law absolutely proves that under this joint resolution the President does have discretionary power. I think it is an admission that the President has discretion. He is not compelled to act upon the facts that are laid before him.

Now, if the Senator from Massachusetts will permit me—and then, if he has further questions, I shall be glad to try to answer them—let us examine the section. As I say, this is the master section of the joint resolution. Eight other sections are dependent upon this master section, and each one of them starts out in this way:

Whenever the President shall have issued a proclamation under the authority of section 1 (a) it shall thereafter be unlawful—

And so forth. Eight sections begin with provisions of that kind. So this is the master section, and when we amend the master section we are amending all eight of the other sections.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. Gladly.

Mr. THOMAS of Utah. As I understand the Senator, he would take away all discretion from the Executive, so that the embargo would become effective immediately upon war being declared anywhere in the world. Is that the case?

Mr. JOHNSON of Colorado. Whenever the President finds that there is a war.

Mr. THOMAS of Utah. That is the way the present law reads. If, for instance, the Senator desires to take away from the Executive all discretion about whether or not he shall find that a state of war exists, why not make the application of the law dependent upon another proposition, and provide that whenever the President shall have declared or proclaimed the neutrality of the United States, such and such shall be done?

If the aim is merely to do away, as far as we can by law, with the discretion of the Executive, there are other approaches than the simple approach of this joint resolution, "Whenever the President shall find a condition of war." If we want to impose an embargo, and want American neutrality to be emphasized—which seems to be the objective—why not allow the embargo to be dependent upon the declaration of neutrality upon the part of our country? Then there would never be any question at all about it.

Mr. JOHNSON of Colorado. Mr. President, the Senator from Utah has correctly stated my objective; but, as I have already confessed, I am somewhat handicapped in drawing these amendments. I am not an expert on this sort of thing. I supposed that the present law was effective. The President used it so far as the European controversy and trouble and war entered into the picture, and I supposed it was sufficient. The Senator has stated my objective, and if there is a better way to attain that objective I shall be very much in favor of the Senator's proposal, because I have not the slightest pride of authorship in this matter. All I am trying to do is to accomplish a very great purpose.

If we look at the language of section 1 we find that this is the way the joint resolution now reads:

That whenever the President, or the Congress by concurrent resolution, shall find that there exists a state of war between foreign states—

That is an actuality. That is something which can be established by facts. If there is a war, it is a self-evident fact. It cannot be denied. If two states declare war against each other we must take their word for it, because that is why they declare war—so that everybody will be put on notice that they are at war.

That is a fact; it is an established fact; it is an admitted fact; it is a fact accepted by everyone. But note the lan-



guage just a little further on, and we find the conjunction "and"—

And that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States.

Those things are all matters of judgment. The President might say—and I think it is a fair interpretation of his address to the joint session of Congress on the 21st of September—that he believes that all of these three things, and many others, could be better accomplished by going back to international law than by any other method. I believe he earnestly and honestly believes that. I believe he has been perfectly frank with us. I do not think he has tried to deceive anyone, the people or the Congress, or anyone else. He made it clear to me, at least, that he prefers international law to an act by Congress. So he might find that all of these conditions would be better served by going back to international law. Therefore he would not issue his proclamation, and eight sections of the proposed act would not be made effective, and we would repeal the embargo in order to get cash and carry, which I am agreeing to support. I heard it stated here a few days ago that it was unbecoming for a Senator to make a trade of that kind, but that is what I am doing. I am willing to submit to a repeal of this very limited arms embargo in order to get the cash and carry and the other restrictive provisions of the joint resolution, which I favor wholeheartedly.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LODGE. I am very much in sympathy with the Senator's purpose, and for my information and the information of the Senate, can the Senator explain why his purpose would not be served if we merely struck out lines 6 and 7 and the last five words on line 5?

Mr. JOHNSON of Colorado. To strike out all after the word "and"?

Mr. LODGE. To strike out after the word "states," in line 5, the words "and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States."

Mr. JOHNSON of Colorado. So far as the President is concerned, that would help, but it would leave in something which is very objectionable, from my point of view, and that is the provision as to a concurrent resolution by the Congress. I cannot see any merit in it whatsoever. It is an admission, in the first place, as I have already stated, that the President has discretionary power. It is impracticable. The Senator must realize that it would have no force and effect. With my limited knowledge of the Constitution and of law, I think it is clearly unconstitutional. I think Congress would be trying to usurp the powers of the Executive. Congress is supposed to act, under this clause, upon certain contingencies happening, and I do not think Congress should act in that way. If Congress desires to have a voice in the Government, there is a way for Congress to have that voice, and that is to write its opinion into law in black and white and make it the law of the land. That is the only way for Congress to have any voice in the operation of the Government. Does that answer the Senator's question?

Mr. LODGE. It answers the question, and I thank the Senator.

Mr. DOWNEY. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield.

Mr. DOWNEY. Regardless of the merits of the last statement by the Senator from Colorado, let me point out to him that I think it is very excellent that the idea the Senator is advancing should be placed in the form of an amendment to the pending measure, but I apprehend that he may lose certain votes in the Senate by insisting on striking out the provision as to congressional action in the event the President should fail to act. I think the Senator would get more votes if he left that provision in, so as to fortify the measure. I think that from that standpoint the Senator might well consider an amendment to his amendment,

Mr. JOHNSON of Colorado. If my amendment should be adopted, the President would not have discretionary power, and therefore would issue his proclamation, and the Congress would not have any reason for passing a concurrent resolution, because the President would issue his proclamation, and the law would become effective.

Mr. DOWNEY. Let me point out that there might be border-line cases where there was question as to whether a state of war actually existed, as in the case of Spain, and it might be that, in judging whether there was an actual war, there might be a discretion involved, and Congress might want to reserve to itself the power to act if the Executive should not act.

Mr. JOHNSON of Colorado. Of course, that is possible. All sorts of contingencies are possible. But I still do not believe that that power would be worth very much to Congress, because of the objection Senators would have to slapping the President or going against his wishes. However, I admit that my amendment really should be divided into two parts. There should be the part eliminating the provision as to a concurrent resolution, and then the other part, after the word "states," and I am perfectly willing to divide the amendment into two parts, if Senators desire to have it so divided.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado to the amendment of the committee in the nature of a substitute.

Mr. JOHNSON of Colorado. Just a moment. I wish to ascertain whether Senators desire to have the amendment divided.

Mr. LODGE. I think it would be a more orderly procedure.

Mr. JOHNSON of Colorado. Does the Senator want to raise the point? I do not desire to do it.

Mr. LODGE. I ask for a division of the amendment.

Mr. JOHNSON of Colorado. Very well. I ask that the amendment be divided, and that we first vote upon the elimination of the language in the joint resolution reading, "or the Congress by concurrent resolution," and then take up the other part of the language, and so divide the amendment.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	King	Russell
Andrews	Donahay	La Follette	Schwartz
Austin	Downey	Lee	Schwellenbach
Bailey	Ellender	Lodge	Sheppard
Bankhead	Frazier	Lucas	Shipstead
Barbour	George	Lundeen	Slattery
Barkley	Gerry	McCarran	Smathers
Bilbo	Gibson	McKellar	Smith
Borah	Gillette	McNary	Stewart
Bridges	Green	Maloney	Taft
Brown	Guffey	Mead	Thomas, Okla.
Bulow	Gurney	Miller	Thomas, Utah
Burke	Hale	Minton	Tobey
Byrd	Harrison	Murray	Townsend
Byrnes	Hatch	Neely	Truman
Capper	Hayden	Norris	Tydings
Caraway	Herring	Nye	Vandenberg
Chandler	Hill	O'Mahoney	Van Nuys
Chavez	Holman	Overton	Wagner
Clark, Idaho	Holt	Pepper	Walsh
Clark, Mo.	Hughes	Pittman	White
Connally	Johnson, Calif.	Radcliffe	Wiley
Danaher	Johnson, Colo.	Reynolds	

The PRESIDING OFFICER (Mr. Hatch in the chair). Ninety-one Senators having answered to their names, a quorum is present.

Mr. JOHNSON of Colorado. Mr. President, I wish to change my request relative to the division of the amendment. I now ask that the latter part of my amendment be voted on first. The amendment to be voted on first begins in line 5, after the word "states", to strike out the words "and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States."

The PRESIDING OFFICER. Let the Chair see if he understands the proposal. The Senator from Colorado now proposes to strike out certain language in section 1. He proposes

to strike out the words, beginning in line 5, "and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States."

Mr. JOHNSON of Colorado. Yes, Mr. President.

The PRESIDING OFFICER. The Senator desires those words stricken out. He wishes that portion of his amendment to be acted on first?

Mr. JOHNSON of Colorado. Yes.

Mr. VANDENBERG. Mr. President, will the Senator yield to me for a question?

Mr. JOHNSON of Colorado. I yield.

Mr. VANDENBERG. I did not hear the Senator's full discussion, but I heard most of it. I wish to ask the Senator a question. This language went into the original Neutrality Act for a very specific purpose, which I thought was a very essential purpose, namely, that when there are, let us say, localized wars which are of no major challenge, or of no particular moment—such as, let us say, a contest between two internal South American states—under those circumstances, in those minor situations, the entire machinery of this great undertaking to preserve our neutrality should not be needlessly invoked. Would that justify the retention of the language from the Senator's viewpoint?

Mr. JOHNSON of Colorado. I do not think so at all. The President still has the right to find that there exists a state of war between foreign states. He is given a wide discretionary power by that language, and, to my mind, much too wide a power. I would rather narrow the power. The amendment which I have offered does not do that. The amendment which I have offered would take away from the President discretionary power so far as the matter of judgment is concerned, because retention of the words, "and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States" makes it purely a matter of judgment. The President might say that he could do that better under international law.

Mr. VANDENBERG. I fully understand the Senator's viewpoint, and certainly no Senator in this Chamber would be more anxious to limit the Executive discretion than would I, but when we deal with a situation of this character I submit to the Senator that we may reach a point where we shall have to rely to some degree upon some discretion, and I ask the Senator whether, with this language eliminated, he would not force the invocation of all the machinery of the Neutrality Act, if there should be an internal war, let us say, between Bolivia and Peru in the center of South America, which would have no effect upon us whatever?

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I wish to answer the Senator from Michigan, and then I will yield to the Senator from Connecticut.

The language in question is that of the present embargo law. The Senator from Michigan is familiar with the fact that a war exists between Japan and China. The embargo law has not been invoked against Japan or China although there is a war going on between them.

Mr. VANDENBERG. I quite agree with the Senator that it has been unevenly applied. For instance, at the present moment it is applied to Germany, which took one-half of Poland, and it is not applied to Russia, which took the other half of Poland. But I do not see that the Senator's amendment corrects that situation, and I ask if it does not invite the other complication of which I am speaking to him? Surely we do not want to invoke all this machinery every time there is a localized war somewhere, and this language is the only language under which there is a saving clause.

Mr. PITTMAN rose.

Mr. JOHNSON of Colorado. Does the Senator from Nevada wish to speak?

Mr. PITTMAN. I thought the Senator had completed his speech. If he has not I will take my seat.

Mr. JOHNSON of Colorado. I will now yield to the Senator from Connecticut, and then yield the floor.

Mr. DANAHER. Mr. President, I will say first, in connection with the illustration suggested by the Senator from Michigan, that since 1922 there has been on our statute books, and still is, an embargo provision with reference to South America, and under its terms the President has discretion as to whether or not he will invoke an embargo on the export of munitions to any South American country. That particular statute is in no way involved in the pending legislation. It has not even been suggested that it be repealed. Consequently with reference to the illustration suggested by the Senator from Michigan as to South America we are protected in any event.

With reference to the other phase of it, Mr. President, let me say that more than 2 weeks ago when I discussed this very subject on the Senate floor I pointed out that under the law which is on our books today the President has the discretion as to whether he will or will not find that a state of war exists, and if it be, as the Senator from Michigan says, that some inconsequential localized war should arise, he need not, in the exercise of his discretion, invoke all of these neutrality provisions.

But assuming that we feel we should be neutral, the fact remains that if the United States is to be neutral, even as between the nations in a localized war, then very properly the proclamation should issue and the neutrality provisions of the bill could and should follow. And therefore the Senator from Colorado is absolutely correct in the proposition as he advances it, and I shall support him with much pleasure.

Mr. JOHNSON of Colorado. I thank the Senator.

Mr. PITTMAN. Mr. President, I thoroughly agree with the statement made by the senior Senator from Michigan [Mr. VANDENBERG]. I think the reason for providing this discretion has been discussed too many times to make it necessary now to go into it at any great length. This proposed law when invoked will put into motion a great deal of machinery, it will act as a restriction on commerce and on credit, and in the very nature of things will necessarily be a burden. In no case should all the provisions of this measure be invoked and its machinery put into action with regard to some little minor conflict which in no way whatever affects the peace of this country or threatens the lives of our citizens. The whole foundation of the legislation has been from the beginning and is now the question of danger to the lives of our citizens and the peace of our country. No one wants this kind of abnormal, unnatural, burdensome legislation unless it is a necessity.

Of course, there can be many conflicts between small states in the world that in no way affect us at all. A war between Inner Mongolia and Outer Mongolia might be going on, and in this country it would scarcely be heard of, and certainly it would not greatly affect us. A war might be going on which would involve entire central Asia without in any way endangering our citizens or our vessels. The House of Representatives recognized that situation. In fact, the House of Representatives debated the question. It was a particular issue in the House in connection with the joint resolution passed there, and which is now pending here, and the House adopted that provision. Our committee in reporting this measure have reported it in the exact language adopted by the House of Representatives.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. DANAHER. I may point out to the Senator from Nevada that he is talking about a war in central Asia and saying that we would not even hear of it, and therefore it would not be necessary to invoke this neutrality legislation. Mr. President, there was been a war going on in eastern Asia for over 2 years. A river warship of the United States called the *Panay* was sunk by one of the belligerents, and we do not even know there is a state of war in existence there. Certainly the President has absolute discretion. Obviously he has not invoked the neutrality legislation which is on our books today, because he does not find that a state of war exists. Under the present law there exists every element necessary for the exercise of discretion in the particular referred to. Is that not so?



Mr. PITTMAN. A part of what the Senator says is always so. [Laughter.] As a matter of fact, the *Panay* was sunk. As a matter of fact, American merchant vessels have been engaged in trade with China and Japan ever since the so-called war took place, and none of them have been interfered with; our peace has not been threatened, and no lives of American citizens have been lost at all.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. BARKLEY. The Senator from Connecticut referred a while ago to an existing law with respect to embargoes as applied to two South American countries which may be at war.

Irrespective of the question whether a later statute would automatically repeal that provision in case of a foreign war, I should like to ask the Senator whether there is not much more involved here than the mere issue of an embargo against belligerents in Central or South America, even though the belligerents would have no navy or merchant marine, and no coast line? If this amendment should be adopted, the President would be compelled to put into effect all the machinery set up by the pending measure. Therefore we would have to provide transfer of title. It would affect credits. It would affect the entire machinery, which goes much beyond the issue of an embargo, if any inland countries, no matter how small, should get into a dispute over a boundary line. So there is much more involved than the mere question of an embargo against the sale of arms to some South or Central American country.

Mr. PITTMAN. Mr. President, I do not desire to discuss this question any further. It was extensively discussed in the House of Representatives at the time this provision was adopted. I think all the reasons for it have been stated. I think the amendment ought to be defeated.

Mr. CONNALLY. Mr. President—

Mr. NORRIS. Mr. President, may the amendment be stated?

The PRESIDING OFFICER. The branch of the amendment now offered by the Senator from Colorado [Mr. JOHNSON] will be stated.

The CHIEF CLERK. On page 15, line 5, in the committee amendment, after the word "states" and the comma, it is proposed to strike out—

And that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States.

Mr. CONNALLY. Mr. President, I wish to take only a moment of the time of the Senate. I dislike very much to disagree with the Senator from Colorado [Mr. JOHNSON], for whose views I have the highest respect; but I think it would be unwise to adopt this amendment.

As I construe it, if the amendment should be adopted, whenever a war should break out anywhere on earth, no matter how insignificant and no matter how remote from our interests or our commerce, the President would have to declare the existence of a state of war; and when he did so all the provisions in the pending measure hampering, interfering with, and curtailing our commerce would automatically go into effect.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. JOHNSON of Colorado. Does the Senator believe there is a war now going on between China and Japan?

Mr. CONNALLY. Suppose there is. We are not doing anything about it.

Mr. JOHNSON of Colorado. No; but we have the same language in our present law, and we are not doing anything about it.

Mr. CONNALLY. Does the Senator want to do something about it? What does he want to do about it?

Mr. JOHNSON of Colorado. That is not the point. We are now talking about a technical matter.

Mr. CONNALLY. I understand. What does the Senator want to do about the war in China? I should like to have his views on that question.

Mr. JOHNSON of Colorado. I do not think it is important what the Senator from Colorado wants to do about the war between China and Japan; but the Senator from Colorado would like at all times to have an embargo against the shipment of arms and ammunition to every country, whether at peace or at war.

Mr. CONNALLY. If that is the objective of the Senator from Colorado, he has the wrong amendment.

Mr. JOHNSON of Colorado. The Senator wanted to know the opinion of the Senator from Colorado. I thought the Senator was interested.

Mr. CONNALLY. The Senator from Colorado introduced the Asiatic war into the discussion. The Senator from Texas did not. The Senator from Colorado brought it up, and when he brought it up I supposed he was interested in it. I wished to know his views about the question.

Mr. JOHNSON of Colorado. The point I am trying to make is that under existing law we have this identical provision, and yet we are paying no attention to the Asiatic war under that provision. Therefore, I think all the little wars about which the Senator is so alarmed would also be ignored.

Mr. CONNALLY. I am glad the Senator brought out that point. He says the provision to which he now refers is in the existing law. Is that correct?

Mr. JOHNSON of Colorado. That is correct.

Mr. CONNALLY. And he points out that, being in existence, nothing has been done under it; but under the joint resolution there is language which he now seeks to strike out, which would allow Congress to act if the President should not act. Then, if the Senator were dissatisfied with the way in which the Asiatic question had been handled, he could rise on the floor of the Senate and introduce a concurrent resolution and say, "We have this law on the books, and the President has not acted. Now, as a Senator of the United States, I propose to introduce a concurrent resolution declaring that a state of war does exist in Asia." He could then invoke the prohibitions contained in the joint resolution. However, the Senator is now undertaking to strike out the very language which makes possible congressional action.

Mr. JOHNSON of Colorado. No; that is not the amendment at all. That is not the amendment before the Senate.

Mr. CONNALLY. I have the Senator's amendment before me.

Mr. JOHNSON of Colorado. I have divided the amendment.

Mr. CONNALLY. But the Senator is offering the other amendment, is he not?

Mr. JOHNSON of Colorado. I have divided the amendment.

Mr. CONNALLY. It is in two parts. I thought it was all in one.

Mr. JOHNSON of Colorado. No; it is in two parts.

Mr. CONNALLY. This is the language which the Senator wants to strike out, beginning in line 5—

And that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States.

That is the language the Senator now proposes to strike out.

Mr. JOHNSON of Colorado. That is correct.

Mr. CONNALLY. If that language is stricken, will the Senator offer the other amendment?

Mr. JOHNSON of Colorado. The Senator will take care of the amendments which he offers. Whether or not he offers the other amendment is not before the Senate at the present time.

Mr. CONNALLY. I understand. I am not trying to maneuver the Senator into a false position; but I assume that when he offered an amendment and had it printed, it became public property. It is before us, and the Senator is commenting on it. With all due respect to the Senator, when he offers an amendment and has it printed and it lies on the table, it is assumed that the Senator is in earnest, that he means it, that he is sincere, and that he is moved by a sense of public duty. I was assuming that to be the case with the Senator from Colorado, because I know that

such motives are the only ones he ever entertains with respect to public business.

So, Mr. President, the Senator would strike out the finding that it is necessary to promote the peace and protect the lives of citizens of the United States. In the case of a remote war which does not affect the peace of the United States and does not endanger the lives of any of our citizens, why should we invoke all the prohibitions and hampering arrangements with regard to our commerce, simply because there is a war off yonder somewhere? It may be one of these little opera bouffe wars in Central America or South America, in which 15 or 20 generals and 3 privates rush out across some boundary line and attack the adjoining country over a minor boundary dispute. No warships, submarines, or airplanes are involved. There is nothing but a few uniforms, and very little ammunition. A few uniforms and many gold epaulets are all that are involved. Yet, under the suggested provision, we would have to declare a state of war, and tie up all our shipping all over the world.

Mr. BORAH. Will the Senator yield?

Mr. CONNALLY. I yield to the Senator.

Mr. BORAH. I should like to ask the Senator a question before he concludes.

Mr. CONNALLY. The Senator will have to ask it quickly, because I shall conclude shortly.

Mr. BORAH. I desire to ask the Senator's view as to authorizing Congress to declare a state of war by a concurrent resolution. Does he think it is good legislation for Congress to be called upon to declare a state of war?

Mr. CONNALLY. Frankly, the Senator from Texas did not favor that provision originally. The Senator from Texas thinks that under the Constitution the President of the United States, subject to such constitutional limitations as apply, and subject to the constitutional provisions regarding legislative power and authority, is in general charged with the conduct of our foreign relations. I am talking about the President of the United States, and not some individual. The President of the United States, whether he be Franklin D. Roosevelt, or any other person, whoever he may be, is in general charged with the conduct of our foreign relations. I am not speaking of this authority for Franklin D. Roosevelt, but for any President. I am just as much opposed to Congress invading or undertaking to invade the executive field as I am opposed to the Executive invading the legislative field. I did not advocate, in the committee, the insertion of the language giving the Congress the power to declare a state of war to exist in case the President should not exercise this authority; but the House of Representatives included that language in the original joint resolution which we have before us. Out of deference to the views of the House we retained that language.

I know that a very considerable element on the other side of the Capitol—I will not say the right side, because it is usually wrong [laughter]—advocated the insertion of that particular language in the old so-called embargo joint resolution to meet the situation just pointed out by the Senator from Colorado [Mr. JOHNSON]. The Senator from Colorado says we have a war in Asia, and the President has done nothing about it. If we carry this language, and the President does not do anything about it, and a majority of both Houses of Congress decide something ought to be done about it, then Congress may act.

I agree with the Senator from Idaho that as a rule that is not good legislation. Yesterday I opposed the amendment offered by the Senator from Missouri [Mr. CLARK] to have two Members of Congress on the Munitions Control Board. That is an executive function. It is not legislation. The Board is responsible to the Congress. It must report to the Congress. The Congress can always have supervision and control without two or three Members sending their secretaries down to attend the sessions of the Munitions Board when it meets.

Mr. KING. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. KING. While I agree with the views expressed by the Senator, nevertheless we do have before us the Constitution, which declares that the Congress may declare war.

Mr. CONNALLY. Exactly.

Mr. KING. The President does not have the exclusive authority to declare war.

Mr. CONNALLY. Exactly.

Mr. KING. The Constitution says Congress shall have that authority. That is one of the powers granted to the Congress by the Constitution.

Mr. CONNALLY. I will say to the Senator that in response to the suggestion of the Senator from Idaho [Mr. BORAH] awhile ago I said that in general the President is charged with the conduct of our foreign affairs, subject to the limitations provided in the Constitution as to the power of Congress. By that I meant, of course, the power of Congress to declare war. Nobody in America has any power to declare war except the Congress of the United States.

Mr. GEORGE. Mr. President, let me call the Senator's attention to the fact that there is not in the entire pending joint resolution anything that has anything to do with our foreign relations.

Mr. CONNALLY. Not at all.

Mr. GEORGE. It relates solely to the control and regulation of our own citizens.

Mr. CONNALLY. Exactly.

Mr. GEORGE. And, irrespective of whether there is any possible encroachment upon the Executive prerogative or authority, the Congress, undoubtedly, could find, as a matter of fact, today that a state of war exists between Great Britain, France, and Germany and could enact every line of the pending joint resolution—in fact most of it is the law now on the statute books—and would not interfere in any degree with the Executive power.

Mr. CONNALLY. I thank the Senator from Georgia. He very clearly and succinctly points out what the Senator from Texas hopes he may be able to confirm, that this entire joint resolution has nothing to do with international law; it has nothing to do with our international relations. It is a piece of domestic legislation relating to what our ships shall do and what they shall not do, relating to what our citizens may do and what they may not do. I hope later on the Senate will adopt an amendment specifically providing that this measure has no relation to international law and that we claim every right that we have under international law, and stipulating that the measure is simply a domestic act for the regulation and control of the conduct of our ships and our people.

Mr. BORAH. Mr. President—

Mr. CONNALLY. I yield to the Senator from Idaho.

Mr. BORAH. I did not undertake to say, as the Senator from Georgia intimated, that the joint resolution was objectionable because it was dealing with international affairs, although that question is involved, but I did mean to say that if the President or the Congress, by concurrent resolution, should find the existence of a state of war, necessarily, in the last analysis, the execution of this measure must be left to the President. Suppose Congress should declare that a state of war existed at some place and the President did not agree with the Congress; it would be rather an awkward situation. That is the reason why I said that it did not seem to me to be good legislation.

Mr. CONNALLY. Mr. President, let me say, in answer to the Senator from Idaho, that I am assuming that any man who at the present time occupies or shall in the future occupy the office of President of the United States, and who takes an oath to enforce and uphold the law and the Constitution, will enforce the laws regardless of whether they suit his personal will or his personal wishes. I cannot conceive of such a situation as that any President, if he did not see fit to invoke this proposed act, and Congress should by concurrent resolution invoke it, hesitating a moment to enforce the law; because when the Congress enacts the measure, it is not the President's law, it is not the law of any individual, but it is the law of the people and Government of the United



States, and it becomes the function and duty of every officer charged with the enforcement of the law to execute it, whether he likes it or whether he does not.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. CONNALLY. I will yield in a moment. Particularly since this is a domestic regulation relating to our commerce, which is purely, of course, a Federal function, I think it is perfectly legitimate to put into this proposed act any subsequent condition or any condition precedent to its invocation. Since it is only a domestic regulation and cannot bring us into any conflict with a foreign nation as a violation of international law, it is perfectly competent for the Congress to say whenever danger arises anywhere that we do not want our ships to go there. Suppose the President should not find such danger to exist. Then we would have a right to impose some other condition. We might say that when the first ship is sunk by a submarine automatically these restrictions shall go into effect. We have a perfect right to say that upon the happening of any other particular event automatically these restrictions shall go into effect.

So the provision as to the action of Congress in a sense is simply the prescription of another contingency. If the President invokes it, very well, it goes into effect; but if he does not invoke it, and Congress invokes it, then it goes into effect; or if neither one invokes it, if there should be a submarine sinking, it would go into effect; or we could go on endlessly and prescribe half a dozen different contingencies, the happening of any one of which would invoke the shipping inhibitions. I do not want to invoke them unless it is necessary to invoke them. Suppose there is a war between the Patagonians and some other peoples. What business is it of ours? It does not affect our citizens; it does not affect our commerce; it does not affect our ships; so why should we impose upon ourselves these iron manacles and shackles when there is no occasion for it?

So I see nothing wrong in the language that whenever the President finds the lives of our citizens are endangered and the peace of the United States is endangered, then, and then only shall he act. What is the use of issuing a proclamation every morning about something when there is no danger? When the hour of danger comes, let the proclamation be issued; let commerce be stifled; let our ships be tied up in the ports; but, for God's sake, do not do it unless it is necessary to do it. If nobody's life is endangered, if nobody's peace is threatened, if no ship is hazarded, what is the use of the Congress of the United States reaching out with its all-compelling authority and saying, "You shall not do this," when there is no occasion for doing it? I hope the amendment will not be adopted.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Colorado [Mr. JOHNSON] to the amendment reported by the committee.

Mr. LUCAS. Mr. President, during the time I have served as a Member of the Congress, the question of the delegation of power by the legislative branch of the Government to the Executive has been discussed frequently in this branch of the Congress, as well as in the other. The press of the country have talked about it, and it has been a tremendously interesting question during the present administration. I have heretofore made some observations and asked some questions in respect to section 1 (a) of the pending resolution which is now being debated in the Senate. My remarks dealt with the constitutionality of that part of the proposed legislation by the terms of which the Congress, by concurrent resolution, may compel the President to issue a proclamation. I undertake to say, Mr. President, that, under the pending resolution in its present form, when a state of war is declared or when the President finds by proclamation that a state of war exists between two states, then it is mandatory that the President issue a proclamation so finding.

Since the Foreign Relations Committee in reporting the joint resolution believed it is constitutional on this aspect, and since I believe it important that every constitutional question in connection with this proposed legislation should

be explored, I should like to make a few further remarks concerning the constitutional issue.

First, let me say that I hold no particular brief for the soundness of my own views on this question. I know there is little judicial authority on these points, that my researches have not been exhaustive, and that we are dealing with a comparatively obscure field of constitutional law. I submit these observations for whatever they may be worth. I do this because I believe it is important that we do not unwittingly violate any constitutional limitation placed upon the Congress. Further, I do it to assure that in this important legislation we shall not set an erroneous constitutional precedent which may embarrass future legislative policy.

I asked the question the other day whether, under the pending legislation, if a proper concurrent resolution were adopted by Congress, the President would be compelled to issue a proclamation. The answer given to me at that time by the distinguished Senator from Nevada and the distinguished Senator from Kentucky was "yes." It was stated that if the pending resolution became law, then this provision was in it, and since, under the Constitution, the President is bound "to take care that the laws be faithfully executed," the President must issue a proclamation. A distinction was made between such a case and the case where no existing statute provided for such a concurrent resolution.

I am not convinced of the validity of that answer as a matter of constitutional law.

That answer assumes that if legislative power is being exercised by Congress when it adopts such a concurrent resolution, that method is a proper method of exercising it. I am not sure that the assumption is correct, and I shall discuss this point later in these remarks.

Further, that answer assumes that in the relationships between the Congress and the Executive, if the Executive acquiesces, by his signature, in an invasion by Congress of his power, the constitutional prohibition against encroachment on his power is waived or cured. That cannot be so. Two branches of the Government cannot get together to waive any constitutional limitation. The fact that Congress passed the bill in the "Hot Oil" case ((1935) 293 U. S. 388) did not cure the delegation of its legislative power. In the *Myers* case ((1926) 272 U. S. 52) the fact that the President signed a bill which provided for removal of postmasters only with the consent of the Senate did not prevent the law from being declared unconstitutional. The point was not argued, however. It must be remembered that the President not only has the duty of faithfully executing the laws, but he has taken an oath to "preserve, protect, and defend the Constitution"—article 2, section 1, paragraph 7. He does not "preserve, protect, and defend" if he permits an unconstitutional encroachment on Executive powers.

So we come to the two real questions:

First. Is the concurrent resolution a constitutional method of exercising whatever power Congress has in the premises?

Second. Does the legislation provide for an unconstitutional encroachment upon the President's powers?

Neither question is free from doubt. I shall discuss them in the order presented.

#### THE PROPRIETY OF THE CONCURRENT RESOLUTION

The Constitution provides that—

Every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary . . . shall be presented to the President—

And so forth (art. 1, sec. 7, par. 3). The Constitution by these express terms would seem to exclude any action by both Houses without the approval of the President. Traditionally, however, the two Houses have used such a device not requiring Executive assent in matters peculiarly concerning their own business, such as the creation of joint legislative committees, directions for correction of enrollment, requests for information, or extending the thanks or expressing the sense of Congress. It can hardly be argued that these uses of the method are precedents for effecting a result in a regulatory field which would be of the same character for all

purposes as a bill signed by the President. Thus, under the pending joint resolution, the President is required to issue a proclamation whenever the concurrent resolution is adopted. It initiates the action. If this is a valid exercise of power by the legislature, then is it not valid for Congress to provide that a particular statute shall take effect when Congress declares by concurrent resolution that it shall? Similarly, could not a law provide that conduct hereafter specified in a concurrent resolution shall be punished by a fine, and so forth? It is as intolerable to embrace the thought that a compliant President, by signing a bill so providing, would thereby permit legislation by concurrent resolution as it is to countenance the parallel situation in which a compliant Congress abdicates its function to the Executive. The Constitution permits neither.

How much more apparent the error in an argument contrary to the foregoing becomes when we recall that Congress can, after Executive veto, make law by a two-thirds vote. If Congress can, by a bill passed over the President's veto, authorize a future application of the statute whenever a concurrent resolution is passed, what has become of the constitutional requirement of Executive approval? Denominating the concurrent resolution as an "event" from which flow established legal results is, then, a sophistry which hides the real truth that Congress alone, and by majority vote, is legislating.

A statutory authority to require an organization in the executive branch to investigate upon request by concurrent resolution can be distinguished. There it may be said that the organization is an agent of Congress to assist it in obtaining information on which to legislate. It is to be noted that these statutes usually relate to such organizations as the Federal Trade Commission, the Tariff Commission, and the Comptroller General, so-called quasi-legislative agencies. It can hardly be argued that the President is an agent of Congress.

It may be argued that in passing the concurrent resolution the Congress is not exercising a legislative power at all, and hence there is no need of Presidential approval. If that is the case, then the power exercised is either judicial or executive. If it is either, then, under the familiar doctrine of the separation of powers, Congress cannot exercise it, for only legislative powers may be exercised by Congress.

DOES THE LEGISLATION AUTHORIZE AN ENCROACHMENT UPON EXECUTIVE POWER?

I now come to the question whether the legislation, in compelling the President to issue a proclamation upon the finding by Congress by concurrent resolution of the existence of a state of war, does or does not authorize an unconstitutional encroachment by the Congress on the executive powers of the President under the Constitution.

In inquiring into this question I confess I am guided more by my feelings and the traditional policy of this country than by any judicial precedents; for the fact of the matter is that there are, so far as I have been able to discover, no judicial precedents directly bearing on this question. There are, however, numerous statements of the Supreme Court emphasizing the exclusive nature of the prerogatives of the President in the conduct of the foreign relations of the United States.

A recent example is to be found in *United States v. Curtiss-Wright Export Corp.* ((1936) 299 U. S. 304), wherein the Court said, at page 319:

Not only, as we have shown, is the Federal power over external affairs in origin and essential character different from that over internal affairs, but participation in the exercise of the power is significantly limited. In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it. As Marshall said in his great argument of March 7, 1800, in the House of Representatives, "The President is the sole organ of the Nation in its external relations, and its sole representative with foreign nations." (Annals, 6th Cong., column 613.)

The Senate Committee on Foreign Relations at a very early day in our history (February 15, 1816), reported to the Senate, among other things, as follows:

"The President is the constitutional representative of the United States with regard to foreign nations. He manages our concerns with foreign nations and must necessarily be most competent to determine when, how, and upon what subjects negotiation may be urged with the greatest prospect of success. For his conduct he is responsible to the Constitution. The committee consider this responsibility the surest pledge for the faithful discharge of his duty. They think the interference of the Senate in the direction of foreign negotiations calculate to diminish that responsibility and thereby to impair the best security for the national safety. The nature of transactions with foreign nations, moreover, requires caution and unity of design, and their success frequently depends on secrecy and dispatch." (U. S. Senate, Reports, Committee on Foreign Relations, vol. 8, p. 24.)

It is important to bear in mind that we are here dealing not alone with an authority vested in the President by an exertion of legislative power, but with such an authority plus the very delicate, plenary, and exclusive power of the President as the sole organ of the Federal Government in the field of international relations—a power which does not require as a basis for its exercise an act of Congress, but which, of course, like every other governmental power, must be exercised in subordination to the applicable provisions of the Constitution. It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved. Moreover, he, not Congress, has the better opportunity of knowing the conditions which prevail in foreign countries, and especially is this true in time of war. He has his confidential sources of information. He has his agents in the form of diplomatic, consular, and other officials. Secrecy in respect of information gathered by them may be highly necessary, and the premature disclosure of it productive of harmful results. Indeed, so clearly is this true that the first President refused to accede to a request to lay before the House of Representatives the instructions, correspondence, and documents relating to the negotiation of the Jay Treaty—a refusal the wisdom of which was recognized by the House itself and has never since been doubted.

It may be contended by various Senators, however, that this legislation deals only with the conduct of our own citizens in relation to the belligerents, and so does not affect the external affairs of the United States. First, it would be a persuasive answer to say that the only question involved in the *Curtiss-Wright* case was the question of an embargo on the transportation by our citizens of munitions to the belligerents in the Chaco War, and yet the Court treated that question as one affecting the external affairs of the United States. Second, if the congressional finding of a state of war is to have, for all purposes, the same effect from the standpoint of international law as a finding by the President of a state of war and a proclamation of United States neutrality, then it does affect the external affairs of the United States. Among other things, it will have the effect of subjecting the United States to the disabilities of a neutral, and of granting, so far as the United States is concerned, to foreign states the rights of belligerents—disabilities and rights which are recognized by international law to come into being on the existence of a state of war and a proclamation of neutrality, and which seriously affect the external interests of the United States.

If the concurrent resolution is not intended to have this effect, how are foreign nations to be so advised? How are we to convince them that a finding by a responsible and coordinate branch of our Government is not to be taken as meaning what it says? Is a state of war to be recognized by the United States for some purposes but not for all purposes?

It seems to me that the legislation itself contemplates that the concurrent resolution will have the same effect as Presidential recognition, for when Congress makes the finding, the President is not directed to issue a proclamation of executive recognition, but rather to issue a proclamation which does no more than name the states involved. So under the pending legislation, when the President issues a proclamation in consequence of the concurrent resolution, the only recognition by the United States of the existence of a state of war is the recognition by Congress, and it must be that this recognition is to serve all purposes.

If the assumption is right that the congressional finding is to have the same effect internationally as a Presidential



recognition of war and a proclamation of United States neutrality, and that such a finding will thus seriously affect the external affairs of the United States, I cannot help feeling that Congress is seeking to invade fields which the Constitution forbids it to enter. So far as I have been able to ascertain, beginning with Washington's famous neutrality proclamation of 1793, recognition by the United States of a state of war in other lands has always been executive recognition, by the President and by the President alone. This in itself should indicate that such recognition is an exclusive prerogative of the President; but there are other compelling practical reasons why this is so. Foreign nations communicate with the United States through the President of the United States. He, and he alone, is the only person in the United States who can officially know of the existence of a state of war in other parts of the world, because to him, and to him alone, is such information communicated by the foreign governments concerned. In matters of foreign relations, practical considerations demand that only one branch of the Government present the country's position. Practical considerations dictate that the executive branch should be the one to do it.

Thus it seems to me that both tradition and the very nature and effect of the act itself, as well as practical considerations, compel the conclusion that recognition of a state of war in other lands is an exclusive prerogative of the Executive. It can in no sense be thought of as a subject of legislation; nor can Congress, in making such recognition by concurrent resolution, be considered as acting in a legislative capacity; and it is in that capacity alone that the Constitution permits Congress to act.

Even if the concurrent resolution does not, as a matter of law, have the same effect as Executive recognition of a state of war and a proclamation of neutrality, I come face to face with other barriers to its constitutionality. For even if what is sought to be done by the concurrent resolution is not to be considered as having the same effect as Executive recognition, Congress is at least seeking to prescribe the time when what I conceive to be exclusively Executive powers shall be exercised and to compel their exercise. If it is right to assume that the recognition of a state of war and a proclamation of neutrality are matters which the Constitution leaves within the absolute discretion of the Executive, Congress can no more prescribe, by its action alone, when such recognition shall be made and such proclamation issued than it can itself make such recognition.

It is unnecessary to determine whether recognition of a state of war may be made by Congress and the President acting together—that is, by bill or joint resolution signed by the President—first, because the concurrent-resolution device assumes disagreement between Congress and the President; and, second, because signature by the President could be held to cure whatever defects might inhere in attempted congressional action and be considered tantamount to Executive recognition.

Mr. President, I have read this somewhat lengthy argument upon section 1 of the pending joint resolution, involving the question of the constitutionality of the measure insofar as it gives the Congress of the United States joint power to find that a war exists in certain states. I have made this statement, as I said in the beginning, in the hope of making some slight contribution to what seems to me a deep-seated, fundamental question of constitutional government involved in the proposed legislation.

Insofar as the Senator from Illinois is concerned, I shall vote to remove from the joint resolution the language covered by the amendment, for the reason that the legislative department, by this language, would be seeking to invade the domain of the executive department, the very thing about which we have been crying from the housetops during the last 4 or 5 years, except that we have been on the other horn of the dilemma. In all the arguments and debates and discussions over the laws which have been passed in recent years, the great question before the country has been the delegation of the powers of the legislative to the executive, and it strikes me that the legislative branch of the

Government would be attempting, by this language, to do the very thing about which it has been complaining in the past.

Mr. BORAH. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. BORAH. The section provides:

That whenever the President, or the Congress by concurrent resolution, shall find that there exists a state of war between foreign states—

And so forth. With what would they be dealing? They would be dealing with a foreign situation, exactly what was really the basis of the decision of the Supreme Court in the Chaco case. It is true that it is local legislation, in a sense, providing what we may do; but we are saying what the President of the United States shall do in a matter which will deal almost exclusively with foreign conditions. This is not local legislation to any greater extent than the law which the Court passed upon in the Chaco case.

Mr. LUCAS. In the case the Senator cited, the Court held that the local act applied to conditions which existed.

Mr. BORAH. Exactly; and the Supreme Court went so far in that decision—I do not say they went too far, though it rather surprised me—they went so far as to say that it was an exclusive matter for the President of the United States.

Mr. LUCAS. The Senator is correct, and that is just what I quoted in my statement.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON] to the amendment of the committee in the nature of a substitute.

Mr. JOHNSON of Colorado. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BORAH. Mr. President, before the vote is taken I should like to say a word on the amendment.

Regardless of the technical constitutional question—and I think there is a serious constitutional question, but I shall not discuss it now—what have we before us? We have a section which provides that "whenever the President, or the Congress by concurrent resolution, shall find that there exists a state of war between foreign states," and so forth. Is it wise, is it practicable, is it good legislation, to place the tremendous responsibility of determining whether a state of war exists between foreign nations, with which foreign nations we shall have to deal in many particulars, in two different departments of the Government? It might well happen that the President should reach one conclusion and the Congress another.

Let us suppose that the President acts upon a situation which develops, and comes to the conclusion that there is not a state of war existing, and that is so announced by the President of the United States—the Chief Executive. Then suppose we find someone in Congress moving, and Congress finally deciding, that there is a state of war; and the President is called upon—assuming the law to be constitutional—to execute a law under which he has decided it is not wise to act. My opinion is that under the Chaco case a serious situation would arise.

Leaving aside all questions of constitutionality, I undertake to say that it is not good legislation to place that power in two departments of the Government. The law should be so drawn that they would have to act together, or it should be so drawn that the President alone would act in the situation.

For this reason, aside from the constitutional question, I shall vote for the amendment. I am aware the Senator from Colorado has divided his amendment, but I shall vote against both parts of the amendment. The whole provision is objectionable enough to be redrafted.

The PRESIDING OFFICER. The Chair feels that the amendment should be restated, in view of the last remark of the Senator from Idaho, because the section to which he has referred is not included in the amendment on which the vote is now to be taken. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed on page 15, line 5, after the word "states", to strike out "and that it is necessary to promote the security or preserve the peace of the

United States or to protect the lives of citizens of the United States."

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUCAS (when his name was called). I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Are two amendments pending at the present time?

The PRESIDING OFFICER. The amendment pending is the amendment offered by the Senator from Colorado, which has been divided, and at the request of the Senator from Colorado the second branch of the amendment is being voted on first, that is, the part which in effect strikes from section 1, beginning in line 5, after the word "states," all of the balance of line 5, line 6, and all of line 7.

Mr. LUCAS. I vote "nay."

Mr. SHIPSTEAD (when his name was called). On this question I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if present he would vote "nay," and if permitted to vote I would vote "yea."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are detained from the Senate because of illness.

The Senator from Arizona [Mr. ASHURST] is absent because of illness in his family.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Arkansas [Mr. MILLER] have been called to Government departments on matters pertaining to their respective States.

The Senator from Montana [Mr. WHEELER] is unavoidably detained.

The result was announced—yeas 26, nays 61, as follows:

#### YEAS—26

Borah	Downey	La Follette	Taft
Burke	Frazier	Lodge	Tobey
Capper	Gurney	Lundeen	Townsend
Clark, Idaho	Holman	McNary	Walsh
Clark, Mo.	Holt	Nye	Wiley
Danaher	Johnson, Calif.	Overton	
Davis	Johnson, Colo.	Reynolds	

#### NAYS—61

Adams	Connally	Lee	Sheppard
Andrews	Ellender	Lucas	Slattery
Austin	George	McKellar	Smathers
Bailey	Gerry	Maloney	Smith
Bankhead	Gibson	Mead	Stewart
Barbour	Gillette	Minton	Thomas, Okla.
Barkley	Green	Murray	Thomas, Utah
Bilbo	Guffey	Neely	Truman
Bridges	Hale	Norris	Tydings
Brown	Harrison	O'Mahoney	Vandenberg
Bulow	Hatch	Pepper	Van Nuys
Byrd	Hayden	Pittman	Wagner
Byrnes	Herring	Radcliffe	White
Caraway	Hill	Russell	
Chandler	Hughes	Schwartz	
Chavez	King	Schwellenbach	

#### NOT VOTING—9

Ashurst	Glass	Miller	Shipstead
Bone	McCarran	Reed	Wheeler
Donahey			

So the second branch of the amendment of Mr. JOHNSON of Colorado to the amendment of the committee was rejected.

Mr. JOHNSON of Colorado. Mr. President, I now ask that the first branch of my amendment to the committee amendment be stated.

The VICE PRESIDENT. The clerk will state the amendment now offered by the Senator from Colorado.

The LEGISLATIVE CLERK. On page 15, line 3, after the word "President", it is proposed to strike out the words "or the Congress by concurrent resolution."

The VICE PRESIDENT. The question is on agreeing to the first branch of the amendment offered by the Senator from Colorado to the committee amendment.

Mr. JOHNSON of Colorado. On that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. NORRIS. Mr. President, I can see no objection to the language which the Senator from Colorado desires to strike out. It may be of little consequence whether the language

is stricken or not, but it seems to me the language is of psychological importance. If the language remains in the measure, as the result of the defeat of the Senator's amendment, then there will be two ways of putting the law into effect. One will be by Presidential action, and the other will be by action on the part of Congress.

Mr. President, I know that in the future, in connection with putting the legislation into effect, questions may arise which will be difficult of decision, and men will honestly disagree as to whether such a situation exists as to make it desirable or necessary to enforce the law. The pending legislation contains a great deal of machinery, to invoke which will result in considerable expense, in much hardship on the citizens of the United States. A great many sacrifices must be made under it. It should not be put into force unless it is necessary to do so.

A disagreement might occur, and the President might be severely criticized, even by Members of Congress, because he had not acted upon what the critics believed to be good and sound reasons. The criticism might be based upon reason and logic, or it might arise for partisan reasons and considerations that would be advantageous to the one criticizing him. It seems to me the situation would be relieved so far as Congress is concerned if the language were allowed to remain. If we did not believe the President was acting properly, Congress itself could act. Under this proposed legislation many cases may arise as to which Congress will not agree with the President. Other cases may arise as to which the President, himself, is in great doubt. He may desire action by the Congress. The best way for him to consult and obtain the advice of Congress is through a concurrent resolution, as the pending legislation provides. The President may desire it. It seems to me the President would desire it. If he took any action involving grave responsibility, as would be the case under the pending measure, he would like to have the official recognition and the advice of others in authority who are jointly responsible to the people of the United States for the government of the country. Therefore, it seems to me, it would be natural for the President to seek advice from the Congress, and that he would think more of it than advice which might come from newspaper sources or over the radio and from people generally throughout the country. It would be a responsible method of providing advice. It would come from those who represent the people themselves, their constituents, in the Senate and in the other House.

So, Mr. President, I believe it is very desirable that these words remain in the joint resolution if it shall be enacted into law.

When I first read them in the measure I thought that there could not possibly be any objection from friend or foe of the administration or any objection raised even on constitutional grounds. If that point is raised, how will the law actually operate? We could not enforce the provisions of the concurrent resolution if we passed it and the President said, "I refuse to act." I concede that we could not enforce its provisions. There would be no way of compelling the President to act. We could not have a mandamus issued against him. No penalty is attached to failure to act, and I do not suppose anyone wishes to see a penalty provided. The President could stand on his constitutional grounds and maintain that the measure was unconstitutional and refuse to do anything, even though Congress by concurrent resolution had stated what he ought to do. So it would be harmless, so far as any legal disability is concerned. I do not care to enter into a discussion of the constitutional question, because I do not think it is all important on this occasion. It seems to me we have the constitutional right to do this, even though we do not believe we are going any further than to give advice to the Chief Executive of the United States.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. TYDINGS. As I understand the wording of this particular phrase, it is designed to permit Congress to be a fact-finding institution. It places no executive power in Congress at all. It simply provides for a finding of fact.

Mr. NORRIS. Yes.



Mr. BORAH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BORAH. I should like to ask the Senator from Nebraska a question. Does the power of the Congress to find by concurrent resolution that a state of war exists involve the power to find that a state of war does not exist?

Mr. NORRIS. I should not think that would necessarily follow, although, as I see it, it is absolutely immaterial whether it follows or not. The words in question do not provide that the Congress shall find that a state of war does not exist, but provide for affirmative action. Congress would not have any authority, as I see it, even if we passed the joint resolution with the language remaining in it, to find that a state of war did not exist, although I presume there would be no constitutional inhibition against Congress doing so without any law to that effect. I think Congress could act under a concurrent resolution and say that a situation existed that would require the issuance of a Presidential proclamation, or, if it wanted to, that such a situation did not exist. I do not believe it is material. Anyway, we do nothing but confer upon Congress the right to find what the situation is. Congress has that power anyway, but we give it a legal standing which it does not now have. We give it a standing before the people—one that I should think would be very impressive so far as the President is concerned—as showing what Congress thinks about the matter. After all, under the Constitution Congress, and Congress alone, is given authority to declare war. The object of this measure, as I see it—and that is one reason why I support it—is to keep us out of war; and if Congress should want to make a finding as to the existence of a certain state of affairs so as to put the provisions of the measure into effect, it would be the first step in enabling the country to keep out of war.

The facts as they were given to Congress would improve its knowledge of the situation. I can conceive of such a condition as the Congress and the President being far apart, each acting in complete honesty. Congress might not want to go to war, we will say, while the President might wish to do so. As I see it, if we put such a law into effect it would help to keep us out of war. The way to put it into effect is for Congress to pass a concurrent resolution. In that event we should really be acting under our authority to declare war, because by taking this initial step we would be steering the country in the direction of keeping out of war.

Mr. President, it seems to me it would be a sad mistake for Congress to strike out the language referred to.

The VICE PRESIDENT. The question is on agreeing to the first branch of the amendment offered by the Senator from Colorado. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). As stated before, I am paired with the senior Senator from Virginia [Mr. GLASS]. I am informed that if he were present he would vote as I intend to vote. I am, therefore, free to vote, and vote "nay."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE], and the Senator from Virginia [Mr. GLASS] are detained from the Senate because of illness.

The Senator from Arizona [Mr. ASHURST] is absent because of illness in his family.

The Senator from Nevada [Mr. MCCARRAN] has been called to one of the Government departments on matters pertaining to the State of Nevada.

The Senator from Montana [Mr. WHEELER] is unavoidably detained.

The result was announced—yeas 14, nays 75, as follows:

#### YEAS—14

Adams	Downey	Johnson, Colo.	White
Borah	Frazier	Lucas	Wiley
Danaher	Holman	Lundeen	
Donahey	Johnson, Calif.	Reynolds	

#### NAYS—75

Andrews	Bankhead	Bulow
Austin	Barbour	Burke
Bailey	Barkley	Byrd
	Brown	

Byrnes	Gurney	Miller	Slattery
Capper	Hale	Minton	Smathers
Caraway	Harrison	Murray	Smith
Chandler	Hatch	Neely	Stewart
Chavez	Hayden	Norris	Taft
Clark, Idaho	Herring	Nye	Thomas, Okla.
Clark, Mo.	Hill	O'Mahoney	Thomas, Utah
Connally	Holt	Overton	Tobey
Davis	Hughes	Pepper	Townsend
Ellender	King	Pittman	Truman
George	La Follette	Radcliffe	Tydings
Gerry	Lee	Russell	Vandenberg
Gibson	Lodge	Schwartz	Van Nuys
Gillette	McKellar	Schweilenbach	Wagner
Green	Maloney	Sheppard	Walsh
Guffey	Mead	Shipstead	

#### NOT VOTING—7

Ashurst	Glass	McNary	Wheeler
Bone	MCCarran	Reed	

So the first branch of the amendment of Mr. JOHNSON of Colorado to the committee amendment in the nature of a substitute was rejected.

Mr. LA FOLLETTE. Mr. President—

The VICE PRESIDENT. Let the Chair state the parliamentary situation. The Senator from Colorado offered a substitute. He offered two amendments. The substitute is now pending.

Mr. JOHNSON of Colorado. The Senator from Colorado withdraws the substitute.

Mr. LA FOLLETTE. Mr. President, I send to the desk a number of amendments, which I ask to have stated.

The VICE PRESIDENT. The first amendment offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 16, line 14, after the word "transferred", it is proposed to insert "for cash."

Mr. LA FOLLETTE. Mr. President, I ask that all the amendments in this group be stated, and then I intend to ask unanimous consent that they be considered en bloc.

The VICE PRESIDENT. Is there objection to all the amendments being stated? The Chair hears none, and the amendments will be stated.

The LEGISLATIVE CLERK. On page 17, line 6, after "states", it is proposed to insert the following new sentence:

As used in this subsection, the term "cash" shall not include ordinary commercial credits or short-term obligations.

And at the end of the joint resolution it is proposed to insert the following new section:

#### EXPORT CONTROL BOARD

SEC. —. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), he shall thereupon establish an Export Control Board (hereinafter referred to in this section as the Board), to be composed of a chairman to be appointed by the President; the Secretaries of State, Commerce, and Interior; two Members of the Senate to be appointed by the President of the Senate, not more than one of whom shall belong to the same political party; and two Members of the House of Representatives to be appointed by the Speaker of the House of Representatives, not more than one of whom shall belong to the same political party. A vacancy in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board, and shall be filled in the same manner as the original appointment.

(b) In order to prevent the growth and subsequent collapse of a short-lived war boom with its attendant dangers to our peace, prosperity, and cost of living, it shall be the duty of the Board to limit the annual exportation of commodities from the United States to each state named in any such proclamation to the average annual exports to each such state from the United States during any 4 consecutive years of the 12-year period immediately preceding the date such proclamation is issued.

(c) The Board shall compute for each such state as soon as practicable the average annual exports of commodities from the United States to each such state for each of the following major categories: Crude materials, crude foodstuffs, manufactured foodstuffs, semi-manufactures and finished manufactures. The computation so made with respect to each such major category for any such state shall thereafter be the annual quota for such category for such state.

(d) Upon the establishment of an annual quota for each major category for each such state, the Board shall, upon the request of the duly authorized and empowered purchasing agent for such state, issue licenses to such agent for the exportation of commodities to such state. No licenses shall be issued to any such agent during any 1 year for the exportation of commodities within each major category in excess of the annual quota established for such category for such state: *Provided*, That if the President shall find that the civilian population of any such state is in extreme need as a result of the war to which the President's proclamation relates, he may increase the annual quotas for such state so long as such need exists, but such increase shall not exceed 10 percent of such annual quotas.

(e) Whenever a stored surplus of commodities within any such major category exists in the United States and such surplus is not necessary for the welfare or defense of the United States, licenses for the exportation of such commodities shall be limited to such stored surplus so long as such surplus exists.

(f) It shall be the duty of the Board to tabulate and examine the character of exports to neutral states, and if the Board finds (1) that commodities in any major category are being imported from the United States by any such neutral state in abnormal quantities, (2) that such imports are not in lieu of imports previously secured from belligerent states, and (3) that such imports are not for their own needs but are being transshipped to belligerents, the Board shall announce such finding and thereafter the provisions of this section shall apply to such neutral state with respect to such major category in the same manner and to the same extent as it applies to such belligerents.

(g) The Board shall have power to employ and fix the compensation of such officers, experts, and employees as it deems necessary for the performance of its duties, but the compensation so fixed shall not exceed the compensation fixed under the Classification Act of 1923, as amended, for comparable duties. The Board is authorized to utilize the services, information, facilities, and personnel of the departments and agencies in the executive branch of the Government. The members of the Board shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the exercise of the functions vested in the Board. The Board is authorized to make such rules and regulations as may be necessary to carry out its functions under this section.

(h) During any period in which the provisions of this section are in effect, it shall be unlawful for any person to export or transport, or attempt to export or transport, or cause to be exported or transported, from the United States to any such state during any calendar year any such commodities in excess of the quota so established; and it shall be unlawful for any person to export or transport, or attempt to export or transport, or cause to be exported or transported, from the United States to any such state any such commodities without first having obtained a license therefor.

(i) The provisions of this section shall apply only during a period in which a proclamation issued under the authority of section 1 (a) is in effect; and shall cease to apply to any state named in any such proclamation when such proclamation has been revoked with respect to such state.

Mr. LA FOLLETTE. Mr. President—

The VICE PRESIDENT. May the Chair inquire if the Senator desires to ask unanimous consent that all the amendments be considered as one?

Mr. LA FOLLETTE. Mr. President, I was about to make a statement concerning that. Contrary to the statement which I made prior to the time the amendments were read, at the request of several Senators, I shall not ask that the amendments be considered en bloc, and I now offer the amendment which provides for the creation of an Export Control Board, beginning in line 10, page 1, of the amendments as printed.

Mr. President, there has been some controversy in this Chamber during the course of this debate over the part that the munitions and other war trade, which grew up in this country between 1914 and 1917 played insofar as the involvement of the United States in the World War was concerned. I stated very frankly in discussing the pending resolution when I first had the opportunity to address myself to it, that, in my judgment, the war trade had a great deal to do with the ultimate involvement of the United States in the World War. In making that statement, I would not wish for a moment to question the sincerity and the whole-hearted frankness of the Senator from Nevada [Mr. PITTMAN] and the Senator from Idaho [Mr. BORAH] in stating the reasons which compelled them to vote for the declaration of war. But it flies in the face of all the research which has been made not only officially by committees of Congress but also by students and historians to say that the war boom and the war trade which developed between 1914 and 1917 did not have anything to do with the ultimate involvement of the United States in the World War.

Mr. President, I think it is likewise a statement which cannot be successfully controverted that it was the war trade, the war boom, not only between 1914 and 1917, but the boom which ensued after we participated in that war which distorted and dislocated American economy to such a point that, at the end of 10 years, we are still struggling with the economic problems which were thus created.

It is perfectly clear that, so far as the pending joint resolution as it stands is concerned, it will afford absolutely no

check upon the distortion which a wartime trade with belligerent nations in Europe and with neutral nations may cause.

Mr. President, it was the demand for foodstuffs that produced the power behind and in front of the plow that broke the furrows through the Plains; it was the demand for meat products that resulted in the overgrazing of our grazing areas; it was the tremendous demand for cotton which helped greatly to increase the production of cotton in this country. I think all Senators who have given any study to the problems confronting the great basic industry of agriculture in the United States will recognize that today many of the difficulties which confront us in endeavoring to put that industry back upon a sound footing were caused by wartime distortion; by the demands of war upon this Nation both as a neutral and as a participant.

It is not only true of the agricultural industry, it is likewise true of the great industrial-producing segment of our economy. Every person who has made any study knows that it was the demand of war, which is an abnormal demand, that resulted in and precipitated the rapid advance of technological methods of production in our plants. It was the construction of additional plant capacity to meet this abnormal wartime demand which gave us the enormous productive capacity which America possesses today and which created problems which, even after 10 years of struggle, are unsolved so far as the utilization of that capacity and the unemployment resulting from the failure to use it are concerned.

Mr. President, that we should take heed, we should take warning from past experience, for just so certain as we do not make provision to prevent the further distortion of our economy by the trade which will be coming to us under the terms of the pending joint resolution as it now stands, even if we are successful, as some Senators supporting the resolution contend, in remaining out of the war, that distortion will ultimately aggravate and intensify the problems, both agricultural and industrial, with which the best brains of this Nation have been wrestling for the past 10 years and have failed to solve.

I say, Mr. President, that not to take this important problem into consideration is to invite disaster in the United States of America, not only from an economic standpoint but from a political standpoint, using that word in the broadest sense of the term. Mr. President, if there is one thing we can learn from the experience of the post-war world, it is that a democracy cannot indefinitely survive in an environment which is unhealthy; it cannot indefinitely survive a condition resulting in millions upon millions of men being unemployed; it cannot indefinitely survive when millions of dollars worth of plant capacity and capital are idle.

It is clear that in this post-war world, where democracy in other nations has gone down to defeat when confronted with the problems which were largely created by the last war, our own democracy and its precious civil and religious liberties, which every true American holds dear, are endangered. They have been swept away in other countries which have suffered a severe contraction of their entire economic activity.

Mr. President, this amendment is simple after all. What it proposes is the creation of an export control board, which shall have power to select the exports under four great basic categories for any 4 consecutive years prior to this time. Assuming that the Board should take the 4 years which would permit the largest amount of farm exports from the United States, namely, the years from 1927 to 1930, inclusive, this amendment, if enacted into law, would permit the exportation to belligerents of about a billion dollars worth more of commodities falling within these classifications than were exported in 1939.

As the pending joint resolution is drawn, it definitely does not attempt to impose any quotas upon neutrals which will give us legitimate neutral trade and our economy may thereby profit as the result of the dislocation of the normal flow and interchange of commerce due to the European war.



Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Washington?

Mr. LA FOLLETTE. I shall be glad to yield; but I hope the Senator will bear in mind the fact that I am trying to discuss a complicated subject in a short space of time.

Mr. SCHWELLENBACH. I notice subsection (f) of the Senator's amendment, which provides the necessary recognition of the fact that neutrals have to be considered in this problem.

Mr. LA FOLLETTE. I am about to discuss that subject. I shall be glad to answer any question the Senator desires to propound regarding it.

Mr. SCHWELLENBACH. The question I want to propound is this: Would it not be necessary, under subsection (f), for our Government to have representatives—I will not call them "spies," because they would not be spies; they would be there as accredited representatives of our Government—in every neutral nation in the world, seeing whether or not that neutral nation was complying with the requirements of subsection (f) of the Senator's amendment?

Mr. LA FOLLETTE. No, Mr. President; I do not think that would be necessary. As a matter of fact, so far as exportation of commodities to neutral nations abroad is concerned, I think altogether too much alarm has been expressed on the floor of the Senate about what might happen with regard to the transshipment of commodities from neutral nations to belligerent states. It is perfectly clear that if an abnormal amount of commodities were being shipped to neutral nations, that fact in and of itself would be a prima facie case, so far as the Board was concerned, that the abnormal trade was not a trade developed as the result of the normal flow of trade and commerce, and that it must be a trade intended for transshipment to belligerents; whereupon the Board could impose a quota upon such a neutral nation, and they would be treated exactly as a belligerent would be treated, exactly as we treated neutral nations during the last war, and exactly as Great Britain and France and their associates and Allies in the last war treated neutral nations.

Mr. SCHWELLENBACH. Will the Senator yield again?

Mr. LA FOLLETTE. I yield once more.

Mr. SCHWELLENBACH. The Senator has recognized, however, in his amendment, subsection (f), that a certain neutral may be getting more goods from us because of the fact that prior to the war the neutral got that kind of goods from one of the belligerents, and it is a question of fact that we should have to determine. We should have to study it within that country. Then, if we still were suspicious of that country, we should have to see whether or not the neutral was shipping into a belligerent country the stuff obtained from us.

Mr. LA FOLLETTE. Mr. President, as I stated before, I think the Senator and his associates who have taken that point of view on the floor have been altogether too much alarmed about what will happen; but I have recognized their point of view in this amendment in order that I might meet the argument that it would do no good to impose quotas upon belligerents if we permitted the wartime trade to flow through to neutral nations.

Mr. BARKLEY. Mr. President—

Mr. LA FOLLETTE. I want to say that trade statistics are not difficult to obtain, and it will be very easy for the Board to ascertain the total amount of imports which any particular nation now neutral received in any given period it is desired to take prior to the commencement of the war in Europe. If there is an excessive demand for commodities over and above those imports, then that is a sufficient amount of evidence upon which the Board could act without, as the Senator says, introducing a number of spies, and so forth.

Now, Mr. President, I shall be happy to yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I do not want to take the Senator's time. I wondered if he was going to discuss the sort of machinery which it would be necessary for the Gov-

ernment of the United States to set up in any foreign country in order to determine the questions set out in paragraph (f) under clauses (1), (2), and (3).

Mr. LA FOLLETTE. I have already indicated that I do not think it is necessary for us to have a large amount of machinery especially established in a foreign country to ascertain whether or not its trade with the United States is out of all proportion to the trade which it has previously had with the United States, and out of all proportion to the imports which it has received from other nations now belligerent and at war, and who therefore are not in a position to supply the commodities which they have normally, in peacetime, been importing from belligerents.

Mr. President, I do not wish to exaggerate the danger to our agricultural economy in the immediate future so far as the present war in Europe is concerned, because, as every person who has looked into the question knows, there is a very different situation than that which existed from 1914 to 1917 so far as basic agricultural commodities are concerned, both as to the surplus available and as to the present productive capacity.

For example, take the case of wheat: The present world supplies of wheat are the largest in history. They are about 55 percent larger than in 1914, and world consumption is only about 30 percent larger.

The wheat-acreage allotments for 1940 are larger than the acreage harvested in any year from 1914 to 1915. There is little prospect of a reduction in world wheat acreage for harvest next year.

In 1914 there was a small crop of wheat in Canada and Australia. Wheat prices advanced during the fall and winter months, but declined prior to the marketing of the 1915 crop. The average prices for the 1915 crop were slightly smaller than those received for the 1914 crop.

Wheat consumption in the warring nations declined from 1914 through the duration of the war. World shipments during this period also declined, and there is little prospect of an increase in world shipments next year.

Likewise, Mr. President, I think the cotton producers, or those of them who have been anticipating that the present war in Europe is going to result in a rise in the price of cotton and substantial increases in the exportation of our cotton, are doomed to disappointment, because of the difference in the world supply, and because of the difference in the productive capacity of other countries in relation to cotton as compared with the capacity in 1914-17. As a matter of fact, Mr. President, there are students of the cotton problem in the United States who believe that a prolonged war in Europe will be disadvantageous to American cotton; that the shrinkage in peacetime utilization of cotton will not be even compensated for by the wartime demands for it. But, Mr. President, representing a State which in part is an agricultural State, I did not want to be in the position here of proposing a quota system for industrial products without indicating my firm desire and my willingness to impose a quota upon agricultural commodities. But if the war is prolonged there may be danger so far as wheat and other commodities in the United States are concerned.

Now I must hasten on, because I wish to reserve a little time.

The estimates as to the sums available in the United States or which can be sent to the United States by Great Britain and France for conversion into cash or the equivalent of cash vary from four and a half billion dollars to seven and a half billion dollars. In any case, it is a sufficiently large sum of money so that if it is applied in this country to the purchase of commodities, it can and will produce an alarming distortion of our industrial, if not our agricultural, economy. I repeat, Mr. President, that the grave problems we have been confronted with in the period from 1920 down to this very hour, if traced to its final and most important source, will be traced back to the economic effects of the wartime boom which existed in the United States between 1914 and 1918.

There can be no doubt, Mr. President, that if this measure passes in the form in which it has been reported from the

committee, there is not a single provision in the joint resolution which will prevent the distortion of the American economy and the intensification of every agricultural, industrial, and financial economic problem that now confronts the United States.

I also desire to touch upon the fact that we have certain exhaustible natural resources in the United States which, as from the standpoint of national defense and from the standpoint of a high-energy economy, in which internal-combustion power has become such an important factor, should lead us to look with alarm upon a measure which will open to the belligerent nations of Europe, with their mechanized armies, access without control to our petroleum supplies.

I recognize that one can obtain all kinds of estimates from different experts on the exhaustibility of our petroleum supplies; but I say it is recognized by both experts and laymen that it is an exhaustible resource, and yet we are proposing to pass here a measure which does not contain a single safeguard so far as our petroleum supplies are concerned, either from the standpoint of our own national defense or from the standpoint of our own high-energy economy.

I wish to quote from the National Resources Committee on this point. Only a few weeks ago the National Resources Committee of the Federal Government said, concerning petroleum:

We have produced a large percentage of our reserves and we are now using our reserves at a faster rate than the rest of the world; and it is entirely probable that we have discovered a larger total percentage of our total possible reserves than any other country.

At the present time we account for approximately 60 percent of the world's consumption, but only 50 percent of the proven reserve. It is likely, then, that the problem of exhaustion will appear in the United States before it does in the balance of the world.

The rank of petroleum as a source of energy, its vital importance in national defense, its vulnerability to destructive forces in exploitation, and its comparatively small reserve in comparison with the high rate of withdrawal place this commodity in a unique position among the natural resources.

Mr. President, if we allow uncontrolled export of petroleum, are we not endangering one of the basic safeguards of our own national defense? This, it seems, is characteristic of the whole neutrality measure before us. It puts the needs of the British and French war machines before our own needs. In the particular instance of petroleum, not to mention a good many other items of defensive needs, I am unable to understand how in the name of common sense it can be claimed we are following a logical policy, with the world at war. We let our own defense needs take second place, while we shove into first place the needs of the foreign war machines. Is this a true American policy? So far, those defending the pending joint resolution, and its proponents, have done nothing to meet this situation.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. SCHWELLENBACH. In view of the fact that it would be necessary, under the Senator's proposal, to have quotas of supplies shipped, certainly to belligerents, and possibly to some of the neutrals, would it not be necessary, then, to create quotas as between different producers in this country?

Mr. LA FOLLETTE. No, Mr. President; and I shall come to that, if the Senator will permit me; but I might as well discuss it now.

This problem has already been under consideration. In part it was in the administration's proposal in 1936. The President was given power to add to the list of commodities, other than arms, ammunition, and implements of war, and upon examination before the Committee on Foreign Relations, the Counselor of the State Department, Judge Moore, stated that he believed that the law could be readily enforced, although he recognized the difficulty.

Mr. President, this is what will happen during the present war, as it happened during the last war. The belligerents who desire to buy from us will send authorized purchasing agents to this country. I have been told, though I cannot prove it, that they are already here. In any case, they will come again, just as they came before, and if the Export

Control Board should be set up, all a belligerent representative would have to do would be to come to that board and find what are the quotas in the various categories, and then and there obtain the licenses, whereupon he could then go to the manufacturers where and when he pleased, and place his orders in the way he desired to place them.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield again?

Mr. LA FOLLETTE. I yield.

Mr. SCHWELLENBACH. That is just the point where I become worried. If we permit the free shipment of materials to belligerents or to neutrals, then the agent can get his licenses and go wherever he desires to go, but if we say that there is only a certain amount to be shipped from this country, and there are half a dozen manufacturing concerns producing the same thing, if we are going to limit shipments from this country, do we not have to allow each one of those producers a quota?

Mr. LA FOLLETTE. Absolutely not. All the Government says to the purchasing agent is, "You have X amount of quota." It then would be within his discretion, as it would be under the joint resolution, for the purchasing agent to go to any supplier of the commodity and pick the one from whom he wanted to buy. There is nothing in the measure the Senator is supporting to prevent purchasing agents from doing that, and there would not be anything in the law, if this amendment should be incorporated in it, to prevent them from doing it.

This amendment would not involve the Government in playing any favorites at all. All it would say to the purchasing agent would be, "Here is your particular quota," and it would issue the licenses, or the stamps, or whatever it may decide to issue to him as the most satisfactory means of identifying the shipments, and then the shipments would pass out of our ports with those licenses. So far as the Government is concerned, the transaction will have been concluded when it issues the licenses, and thereafter it will only have to make certain that all shipments going out are properly identified and are licensed.

Mr. MALONEY. Mr. President, will the Senator from Wisconsin yield?

Mr. LA FOLLETTE. I yield.

Mr. MALONEY. Does the Senator know during what 4 consecutive years we did the largest export business?

Mr. LA FOLLETTE. Taking the last 12 years, the 4 consecutive years which show the largest amount of exports from the United States are the years 1927 to 1930, inclusive.

Mr. MALONEY. I presumed that was the case, but I am wondering whether the Senator has the figures for the years prior to 1927.

Mr. LA FOLLETTE. No; I have not, because I took a 12-year period, thinking that was going back sufficiently far from the present to permit us to get something like a normal picture.

Mr. MALONEY. I ask the question because 9 of those 12 years were largely depression years throughout the world, and I do not think the Senator wants to avoid what might easily be considered a normal period.

Mr. LA FOLLETTE. I think it is fair to say that the period from 1927 to 1930 was a normal period, because in those years only one was a depression year. I do not see how we could pick 4 years that would be fairer than those, so far as giving a wide latitude is concerned. I think if we should go beyond that we would get into a situation which I wish to avoid.

Mr. MALONEY. I want to make it clear that I am not questioning the Senator or his purpose.

Mr. LA FOLLETTE. I realized the Senator's question was one eliciting information, and I hope that when I raised my voice the Senator did not assume I did not welcome the interruption.

Mr. President, I wish to call attention to the fact that the Army and Navy Munitions Board have been concerned about what may happen to critical and essential war materials under the policy of cash and carry, or credit and carry,



or whatever it may be called, which has the endorsement of the administration. On October 11 the Army and Navy Munitions Board authorized publication of the following statement:

Under the authority of the act of Congress relating to the purchase and storage of strategic and critical materials for national use during a war emergency, the Procurement Division of the Treasury Department has recently issued proposals for the acquisition of stocks of certain materials classified as strategic by the Army and Navy Munitions Board in consultation with representatives of the State, Treasury, Commerce, and Interior Departments.

The principal purpose of this activity is to assure, in the event war should interrupt the supply, that there will be available in the United States a sufficiency of those materials essential to the industrial economy of the Nation. The materials which will be so accumulated are those which cannot be produced in sufficient quantities in the United States to satisfy vital requirements. The most important of the materials classified by the Army and Navy Munitions Board as strategic are: Antimony, chromium, manganese ferrograde, manila fiber, quartz crystal, quicksilver, quinine, rubber, silk, tin, and tungsten.

Since the outbreak of the present war in Europe foreign purchasers have either obtained or are attempting to obtain for shipment abroad, supplies of these strategic materials which have been imported into this country by private interests for use by American industry. (Army and Navy Register, October 14, 1939, p. 4.)

It will be noted that already there is evidence of a drain by belligerents of these vital, strategic materials. The movement is under way, and nothing in this joint resolution without this amendment can stop it. Why not? Because it is not needed? The Army and Navy think that exportation of antimony, chromium, manganese ferrograde, manila fiber, quartz crystal, quicksilver, quinine, rubber, silk, tin, and tungsten is dangerous. That should be sufficient warning, but apparently the warning falls on deaf ears.

The Army and Navy Munitions Board statement continues:

From the standpoint of national defense it is perhaps imprudent to ship out of the country those materials which can be replaced only by imports, especially at the present time, when it is becoming more difficult and more expensive to secure even the minimum imports of many of the materials listed. (Army and Navy Register, October 14, 1939, p. 4.)

"Imprudent" is the mild description term of the Board. "Foolhardy" would be a more accurate designation. But why blame those who can turn an honest dollar in such deals when Congress does nothing—indeed, taking the pending resolution as a sample—intends to do nothing to put a ban on such exports?

How much of these strategic materials has already been lost? I quote again from the Army and Navy Munitions Board:

The emergency-stock program which has been recently initiated by the Government will be nullified if materials which are normally in stock in the United States not owned by the Government are reexported. Activities of foreign buyers have resulted in the removal of some 10,000 tons of rubber and an appreciable amount of tin from the market since September 1. Attempts have also been made to obtain ferromanganese and supplies of other strategic materials, either in a raw or semifinished form, now in the United States for export. (Army and Navy Register, October 14, 1939, p. 4.)

Ten thousand tons of rubber. How can that be replaced? Only by purchases in the open market, or by a barter arrangement with Great Britain, which virtually controls the production of rubber in the world. Either device, of course, will find the United States paying the world-market price for rubber. The price is not going down; it is going up, and it will continue to rise just so long as the war goes on. Yet we will be paying good, cold cash. Is there anything to prevent the drain of these reserve supplies? Apparently not, except to appeal to the patriotism of the people.

Without intending at all to inveigh against those who engage in commercial transactions, I repeat that if Congress does not indicate that it is against the national interest and national policy to permit a wartime boom to develop in the United States, with the inevitable and catastrophic collapse when the boom ends, how can we blame citizens of the United States for taking advantage of the opportunity for profit?

Mr. President, I had intended to quote at length from industrial leaders, from leaders in all walks of life, who recognize the danger and the menace of an uncontrolled war boom to the economy of the United States, but I have not the time, and I wish to reserve a few moments for rebuttal.

So in concluding this opening statement, Mr. President, I wish to appeal to the patriotism of the Senators in this Chamber; I wish to appeal to their patriotism not only to protect the United States in order that we may preserve and conserve our strategic materials and our exhaustible reserves for our own national defense, but I wish to appeal to them upon the ground that our past experience demonstrates beyond argument that unless we place the potential war boom under some sort of control, inevitably it will not only endanger the welfare of every man, woman, and child in the United States, but it likewise may impair and even undermine and destroy the democratic process itself.

Mr. President, I ask unanimous consent to insert in the RECORD certain figures from the Department of Commerce.

The VICE PRESIDENT. Is there objection?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

*Total exports of merchandise from the United States, by economic groups and exports of raw cotton to specified countries*

	Total exports		Crude materials	
	Average 1927-30	1938	Average 1928-30 <sup>1</sup>	1938
United Kingdom.....	\$803,372,000	\$521,124,000	\$248,836,000	\$165,172,000
France.....	239,756,000	133,825,000	90,848,000	54,894,000
Canada.....	839,696,000	467,662,000	159,873,000	110,586,000
New Zealand.....	34,407,000	23,366,000	1,228,000	1,356,000
South Africa.....	53,615,000	71,762,000	67,000	460,000
Australia.....	131,666,000	68,823,000	8,138,000	8,487,000
Germany.....	409,415,000	107,588,000	189,780,000	25,595,000
Russia.....	84,696,000	69,691,000	27,551,000	28,000
Italy.....	137,043,000	53,260,000	70,596,000	30,712,000

	Crude foodstuffs		Manufactured foodstuffs	
	Average 1928-30 <sup>1</sup>	1938	Average 1928-30 <sup>1</sup>	1938
United Kingdom.....	\$57,114,000	\$68,651,000	\$125,977,000	\$69,043,000
France.....	4,539,000	4,481,000	8,142,000	6,523,000
Canada.....	78,237,000	66,784,000	27,649,000	8,216,000
New Zealand.....	486,000	223,000	1,218,000	937,000
South Africa.....	30,000	42,000	1,603,000	963,000
Australia.....	101,000	83,000	2,612,000	1,675,000
Germany.....	17,139,000	13,596,000	44,209,000	2,004,000
Russia.....	31,000		133,000	
Italy.....	5,666,000	1,267,000	5,905,000	287,000

	Semimanufactures		Finished manufactures	
	Average 1928-30 <sup>1</sup>	1938	Average 1928-30 <sup>1</sup>	1938
United Kingdom.....	\$115,161,000	\$68,252,000	\$235,946,000	\$143,151,000
France.....	40,733,000	19,638,000	95,620,000	46,503,000
Canada.....	114,822,000	52,844,000	416,730,000	214,423,000
New Zealand.....	3,574,000	1,990,000	28,299,000	18,793,000
South Africa.....	2,994,000	5,323,000	49,246,000	63,159,000
Australia.....	13,259,000	8,999,000	98,150,000	49,389,000
Germany.....	60,176,000	38,395,000	66,611,000	25,138,000
Russia.....	4,600,000	11,534,000	57,601,000	58,041,000
Italy.....	26,033,000	15,650,000	29,214,000	9,880,000

	Raw cotton	
	Average, 1927-30	1938
United Kingdom.....	\$150,809,000	\$41,150,000
France.....	85,423,000	23,859,000
Canada.....	20,425,000	12,276,000
Australia.....	1,000	548,000
Germany.....	185,277,000	16,875,000
Russia.....	30,150,000	
Italy.....	65,168,000	19,268,000

<sup>1</sup> Exports by economic groups and countries of destination not compiled prior to 1928.

These economic groups have not been segregated according to agricultural and nonagricultural products as their economic character basically reflects this division. These economic groups are agricultural or nonagricultural in the following percentages:

AGRICULTURAL	
Crude foodstuffs.....	Percent 99
Manufactured foodstuffs.....	90
NONAGRICULTURAL	
Semimanufactures.....	99
Finished manufactures.....	99
Crude materials.....	70

Mr. LODGE. Mr. President, it is not often that I find myself in agreement with the Senator from Wisconsin, but I believe that in this particular matter he is on the right track, and that something of the nature of the amendment he advocates should be enacted into law if we are really serious in our desire to come to grips with the question of preventing the dangers inherent in the growth of a large war-supported foreign trade.

In my opinion, this measure not only does not contain a true cash provision, but it also contains nothing which will prevent the growth of a large war-supported trade. I recognize that the last war is not a perfect guide for us as we contemplate the present war in Europe, but I think it goes without saying that we would be foolish to ignore its lesson, and one of its lessons is that the growth of a large war-supported trade, with all the various involvements it brought with it, was unquestionably one of the factors which led to our becoming engaged in the World War.

The Senator from Wisconsin has shown that his proposition to limit our foreign trade to the average of peacetime years will tend to prevent a boom and crash like those which we all remember so well; that it will be an asset insofar as the national defense is concerned in the conservation of our strategic raw materials; and particularly that it will tend to keep the United States at peace insofar as an act of Congress can tend to keep us at peace.

It would not stifle trade. The Senator does not propose a complete embargo on all foreign trade, which would work a tremendous hardship and would be neither feasible nor desirable. He merely proposes that our foreign trade be held to the average of peacetime years, and it seems to me that such a limitation does not involve a great material sacrifice, but represents the most that we can do.

Mr. President, if we should adopt the amendment of the Senator from Wisconsin I think we would also tend to increase and enhance our neutrality by preserving the balance of power in the current European war insofar as that balance is affected by the United States.

Mr. NYE. Mr. President, this is one of those moments when I wish to heaven there were no such things as a unanimous-consent agreement, for plainly has it been observed that the Senator from Wisconsin had only begun to approach the problem with which he had chosen to deal.

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. NYE. I should prefer to continue my statement without having a quorum call, I may say to the Senator from Missouri.

Mr. President, we have before us at this moment what I am sure is as important an amendment as the Senate will have to deal with during the course of the consideration of the entire neutrality question. In support of the amendments which the Senator from Wisconsin is offering there is much that might be said, and yet perhaps there has been prepared a summary of all that might be said in language and by an authority that many are ready to tie to, and perhaps it might be sufficient to quote that authority alone. Certainly the best brief picture of what the Senator is trying to accomplish was presented in a very famous address delivered in Chautauqua, N. Y., in 1936, by the President of the United States, when he said:

Industrial and agricultural production for a war market may give immense fortunes to a few men; for the Nation as a whole it produces disaster. It was the prospect of war profits that made our farmers in the West plow up prairie land that should never have

been plowed, but should have been left for grazing cattle. Today we are reaping the harvest of those war profits in the dust storms which have devastated those war-plowed areas.

It was the prospect of war profits that caused the extension of monopoly and unjustified expansion of industry and a price level so high that the normal relationship between debtor and creditor was destroyed.

The President continued:

Nevertheless, if war should break out again in another continent, let us not blink the fact that we would find in this country thousands of Americans who, seeking immediate riches—fool's gold—would attempt to break down or evade our neutrality.

They would tell you—and, unfortunately, their views would get wide publicity—that if they could produce and ship this and that and the other article to belligerent nations, the unemployed of America would all find work. They would tell you that if they could extend credit to warring nations, that credit would be used in the United States to build homes and factories and pay our debts. They would tell you that America once more would capture the trade of the world.

The President proceeded:

It would be hard to resist that clamor; it would be hard for many Americans, I fear, to look beyond—to realize the inevitable penalties, the inevitable day of reckoning that comes from a false prosperity. To resist the clamor of that greed, if war should come, would require the unswerving support of all Americans who love peace. If we face the choice of profits or peace the Nation will answer—must answer—"we choose peace." It is the duty of all of us to encourage such a body of public opinion in this country that the answer will be clear and, for all practical purposes, unanimous.

Mr. President, I submit that anyone who tried to improve upon that brief declaration, picturing what would be our lot in the event another war came, would encounter great difficulty. The war has come, and what the Senator from Wisconsin is striving to do today is to prevent that war taking such hold of us and our American economy that we may find ourselves taking a course wholly contrary to that expressly wished for by the President in his Chautauqua speech.

There are many examples found in the studies which have been made in recent years concerning the practices during the last World War of those bent upon gaining profit from other peoples' wars, but I doubt if there is any example more pointed, more easy of understanding, than the example to which I wish to call the attention of the Senate this afternoon.

It is too easily assumed that we can disregard the effect of huge foreign war orders on our own economy and on our foreign policy. Even if we assume that we can plug all the credit loopholes which the Senators from Connecticut, Ohio, and Missouri have called to our attention—and I am not so sure that that can be done—have we then protected ourselves against the dangerous consequences of repealing the arms embargo? I myself do not believe so. Nor have we done anything to prevent the growth of an unlimited and ultimately disastrous war boom. We are in grave danger of financial and industrial involvement. We are taking the risk, almost a certain risk, of depriving ourselves of all freedom of action in the future.

I should like to illustrate, Mr. President, what I mean by going briefly into a particular and little-known story of the World War, a story exclusively concerned with munitions, that is, with the manufacture in the United States of an article now covered by the embargo. It is the story of the manufacture of rifles—the manufacture of rifles in the United States for the British Government. Senators will observe that it is very narrow in its consideration. It involves in this instance rifles, and rifles alone. But the problems of the manufacture of that one single arm became at one point a matter of the most tremendous importance, and is illustrative of how deeply our own industries can become involved in foreign business and foreign causes. It shows us clearly, also, that we cannot afford to brush aside the arms trade and feel we are protected by the other provisions of the joint resolution.

The contract between J. P. Morgan & Co. and the British Government, appointing Morgans the British purchasing agents in America in 1915, contained the stipulation that Morgans should aid and stimulate by all means at their disposal sources of supply for the articles required.



One of the articles required was rifles; and, in accordance with that contract, Morgans proceeded to stimulate the supply.

By September 1915—we have heard already of that crucial date in connection with lifting the ban on belligerent loans—contracts for rifles in the amount of \$194,000,000 had been let to Winchester, Remington Arms, and Remington-Union Metallic Cartridge Co. Only \$50,000,000 had been paid on account, so there was an overhang of \$149,000,000 on these three rifle companies alone. It will be noted that the same situation may come about under the joint resolution. A ban on credits is no ban on excessive orders or contracts.

By September 1915 the rifle companies themselves began to be a little fearful of the consequences of accepting larger orders, which required plant expansion.

Winchester wrote to Morgans as early as July 1, 1915:

GENTLEMEN: Referring to Mr. Stettinius' conversation with the signer over the telephone yesterday afternoon would state that the matter of further expansion so as to produce additional quantities of Enfield rifles, deliveries to begin from 6 to 8 months from time of placing the contract, was taken up with the executive officers of this company. \* \* \* The decision arrived at was that the Winchester Repeating Arms Co. would not care to consider any further expansion than it has now undertaken; nor would they care to consider a proposition which would include the furnishing of certain parts by outside concerns—in other words, such business only as can be properly taken care of with the present plant, including such expansion as has already been decided upon, will be considered.

The signer regrets exceedingly that he is not in position to write you more in consonance with your desires. (Senate Munitions Hearings, pt. 25, exhibit 2062.)

Morgans continued to urge them to expand; and, on September 7, 1915, Winchester agreed to do so, on these conditions:

Further expansion would mean a very heavy cost to us, and it would not pay us to undertake it for such quantity of rifles as those that could be delivered during November and December 1916, but if you could place a contract with us for an additional 200,000 rifles to be delivered upon completion of the present contracts, we would, under those circumstances, undertake further expansion. \* \* \* (Ibid., pt. 25, exhibit 2064.)

They got what they asked for, and expanded some more.

Remington-Union Metallic Cartridge Co. had the same problem; and they explained to Morgan, in a letter of August 31, 1915:

In view of the fact that we have agreed to undertake to execute a contract for 500,000,000 Russian cartridges; also of the fact that we have, as you know, a number of existing cartridge contracts, we do not deem it practical nor desirable to further expand our present plant at Bridgeport or the contemplated new one at Philadelphia; nor do we think it the part of wisdom for this company to undertake additional large cartridge contracts upon our own responsibility owing to possible excessive premiums for machinery, unreasonable demands of labor, increasing costs of material, all of these demands being problematical and seriously affecting future costs. \* \* \* (Ibid., pt. 25, exhibit 2065.)

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. NYE. I am delighted to yield to the Senator from Missouri.

Mr. CLARK of Missouri. Can the Senator tell us whether or not the Stettinius who was representing the Winchester Co.'s interest in this war contract on behalf of Morgan & Co. was the father of the chairman of the present Morgan-controlled War Resources Board recently set up by Assistant Secretary Johnson?

Mr. NYE. The Senator is correct. He was so related.

Mr. CLARK of Missouri. I do not wish to take the Senator's time, but while I am on my feet, if the Senator will permit me, I will say that the very negotiation about which he is now reading was one of the principal factors contributing to the ultimate fact that during the World War the American Expeditionary Forces in France were armed with an extremely inferior rifle—namely, the Enfield rifle—when we had in our possession the most effective small arm in the world, the Springfield rifle.

Mr. NYE. I am very glad the Senator interrupted to that extent. Time and time again he has demonstrated before

the Senate what a significant feature of our march to war in 1915 and 1916 contracts of this kind were.

Eventually Remington-Union Metallic Cartridge Co. also agreed to expand, and in the summer of 1916 these two companies had gotten into quite a bit of debt to expand plant and stock up on materials. Remington directly and indirectly was in debt for over \$44,000,000, and Winchester for \$16,000,000. Remington Arms, of Delaware, belonged to Midvale Steel, and apparently had borrowed through its parent.

These are not large sums of money to industry as a whole. In this debate one might think we could ignore them altogether in comparison with the billions of later debt. It was just plant expansion. We shall have the same situation under the joint resolution, and vastly more than \$60,000,000 worth, or we shall not be any help to England and France. Since we are told that we must help England and France, and since that is the purpose of the joint resolution, then we shall have plant expansion if the administration has to push the money out with a shotgun. We might as well be honest with ourselves.

This little \$60,000,000 debt became a matter of the greatest importance, even, eventually, in the relationship between the Governments of the United States and Great Britain. I mention that fact because we have been told that the arms trade is financially insignificant. We shall see how insignificant it is.

About the time these companies had expanded their plants and had incurred the debts to which I have referred, and had all this overhang of unfilled orders on their books, the British Government found that they did not need all the rifles they had ordered. They found that the methods of warfare employed did not require anything like as many rifles as they had thought. They needed machine guns and heavy artillery. So they ordered those in great quantities, and, to save money, began to stiffen up their rifle inspection, refused to accept rifles, and ordered changes in patterns. Between the efforts of the British Government and the natural difficulties of the rifle companies the three companies were soon behind on their deliveries for 1,800,000 rifles.

This was just what the British Government wanted, because they did not want the rifles anyway; so on August 23, 1916, they ordered Morgan to cancel the contracts because of failure to deliver as specified in the contracts.

Now the story begins. Here we have only three companies, in debt for about \$60,000,000, threatened with cancellation of unfilled contracts of somewhere around \$55,000,000. How easily, under the joint resolution, could contracts and debts of this size accumulate—and not debts of the British Government, either.

How easy? How impossible not to. The joint resolution would not be before us at all if it were not intended that there should soon be outstanding orders for ten times \$55,000,000 worth of munitions. This is a war. With our help it will be a big war.

England alone, Mr. President, used to spend in the United States, more than \$10,000,000 a day during our last experience with war. Of course, we paid for it all in the end—every penny, and more, too. I am speaking at this moment only about the volume. Of course, it is intended that there will be vast unfilled orders outstanding. That is why almost no provision of the joint resolution means much. Once those orders are out, it will be a simple matter to change any provision of this law, or any other law which conflicts with filling such orders. In this little matter of a handful of rifles, worth just about 5½ days purchasing in America, when Morgans were first asked to cancel these contracts they replied to the British Government with sweet reasonableness as follows—cable of September 1, 1916; exhibit 2093, Senate Munitions Committee hearings:

We believe that an attempt to cancel or reduce these contracts as suggested 22274 without reference to the equities involved, would be prejudicial to the interests of the Government in that it would lead other manufacturers of munitions to exact more severe terms and demand higher prices in respect to such further orders as may be placed in future, and that as a result the Government actually would lose in the long run more than they would gain, if they were to reduce or cancel rifle contracts strictly according to

the terms thereof without making some equitable adjustment with the contractors as to the quantities of rifles canceled.

"We deem it our duty—

Said the Morgans to Britain—

to cable you fully regarding this matter as it appears to us to be of great importance and in the interests of the Government should be dealt with on broad lines." (Munitions Report, 944, pt. 6, pp. 81-82.)

In a word, Mr. President, here are the fiscal agents in this country of the British Empire, J. P. Morgan & Co., trying to tell Britain in a plain and sensible way, "If you start canceling contracts you have entered into with American corporations you are not going to find much good will in America to continue to support your cause."

This gentle approach got nowhere at all. Mr. Davison in London took the matter up with the British Government and replied:

The problem is certainly a most difficult one, as they find the position to be that by reason of lateness of deliveries they will be unable to use any of the rifles under consideration. How they can justify themselves in considering further extensions of contracts for manufacture of something which they do not want, at the expense of approximately \$55,000,000 is more than they can see, and I am unable to enlighten them. (Senate Munitions Hearings, pt. 25, exhibit 2095.)

Mr. Davison apparently had not gotten the point, so on October 14 Morgans tried to enlighten him a little more by this cablegram:

Much as we desire to have you return as soon as possible, we feel that the rifle situation has so important a bearing upon immediate and ultimate financial plans here that settlement should be reached while J. P. Morgan and you are in London.

It is difficult to convey by cable the importance of the subject as it looms in the minds of men like Rich (of the National City Bank) and Allen (of Lee, Higginson & Co.). Your recent cables, of course, have made clear to us the need of absolutely unprecedented calls upon the credit institutions of the country—the stupendous requirements not being known to any but ourselves but which will, of course, in next few months gradually become apparent to other important banking interests here. (Munitions Report No. 944, pt. 6, pp. 88-89.)

The Morgans, determined to support and serve the British cause in every way possible, confronted now with the necessity of convincing the British Government that if they wanted American good will to continue, if they wanted that larger access to our market which then seemed to be contemplated, they had better be watching their step about the canceling of orders they had placed, orders which had occasioned expansion and indebtedness here in the United States.

The delicate threat will be noted. Bankers think the rifle situation important; and at the same time England's credit requirements are getting pretty stiff.

Are they going to be any less stiff this time? We will say nothing like that can happen to us. The National City Bank and Lee, Higginson cannot dictate to the United States Government. No; they cannot. But somebody is going to finance the orders that will pour through under this resolution—and for a vast deal more money than \$55,000,000. Those are going to be legitimate investments by somebody. Can anyone pretend that the owners of those investments are going to have no influence on Government policy in matters that might affect England's ability to pay for war orders, such as raising a loan ban, for instance, if there ever is a loan ban to bother about raising?

It should be remembered, too, that the factories, threatened with cancellation of orders and shut-downs, had workers. Of course, the British Government would not care about their opinion, but how about the American attitude? How about our trying to cut off a lot of war orders and so throw men out of work? Then they would care.

Of course, as I have said, at that time and in that situation all the British Government had to worry about was the bankers. The bankers' solution was simple. They offered to sell—listen to this, Senators—they offered to sell the plants outright to the British Government for only \$47,000,000, bargain rates. Then if the British Government wanted rifles they could make them for themselves. If they did not they could close up the factories.

To be sure, this happy little remedy required a frank violation of the neutrality of the United States. No country can permit another government to use its territory for belligerent operations, and the manufacture of munitions by a government is a belligerent operation.

So now the problem moved from a munitions matter to a Federal Treasury matter, as the next cable from London, October 16, shows:

OCTOBER 16, 1916.

24557. Treasury authorities have read and considered 29013, 29014, 29045, contents of which surprise and disturb them greatly, as neither they nor we had any conception that any such condition obtained. In view of the ramifications of the various interests and the wide sphere of its influence, authorities feel, as do we, that it has now become largely a Treasury matter. We have spent part of afternoon with Chancellor of the Exchequer, who requests us to cable in regard to the subject. \* \* \* Authorities are distressed to learn of its present unsatisfactory state and of the position in which the bankers in the business, as well as the manufacturers, find themselves. They express themselves as desiring most earnestly to find a satisfactory solution. As to one point they are perfectly clear, and that is that they cannot go into the business of manufacturing rifles in the United States, so that it would seem that this thought must be disregarded in any considerations of the subject \* \* \*. (Rept. 944, pt. 6, pp. 89-90.)

But it could not be disregarded. With a debt of only \$60,000,000, against which the companies were willing to take \$47,000,000 and get out, even that relatively small item could be settled only by the British Government violating the neutrality law of the United States and going itself into the business of manufacturing rifles here.

Morgan insisted:

While we are reluctant to recommend a settlement which may appear to be, and perhaps is, unfair to British Government, in that it fails to require contractors to bear any portion of the loss or otherwise to submit to the penalty which they should reasonably suffer in consequence of delays and errors for which they are responsible; nevertheless, it is our firm conviction that in view of all the circumstances there is no other alternative than to accept the terms and conditions which have been offered. (Rept. 944, pt. 6, p. 90.)

First—and let this be clearly noted—it was a munitions matter only; then a Treasury matter and next it became a political matter. Observe where it goes: J. P. Morgan personally from London, October 18, 1916, cabled as follows:

24611. Twenty-nine thousand one hundred and fifty-two considered with greatest care by the authorities, and discussed this evening by the War Council in the private room of the Prime Minister in the House of Commons at which meeting we were present. It is quite unnecessary to tell you of the rude shock this proposition has been to them, coming from what they supposed to be among the best concerns of their kind in the world, and in a manner which is sudden to say the least. It is apparent that no time is given to discuss or consider the merits of the case, which, from their and our point of view, is most embarrassing. They have, therefore, considered the matter in all its phases as presented by you. (Rept. 994, pt. 6-91.)

One would suppose that going from the Ministry of Munitions of War to the Treasury and finally to the War Council and the Prime Minister himself would be about enough trouble over \$47,000,000 worth of munitions contracts; but it was not.

On October 19 Mr. Lamont and Mr. Morrow finally told all. This is it:

After reading your 24611—

Referring to the cablegram—

we feel that probably neither the Treasury officials nor J. P. Morgan nor H. P. Davison have even yet a complete picture of the rifle situation. The banking institutions and houses in question earnestly desire to be cooperative. Their own commitments in these companies, however, have been growing rapidly and are now so heavy and so far beyond their expectations and even in some cases beyond their legal limits that they can hardly be expected to be keen about any new financing, which inevitably means new and heavy commitments for each of them \* \* \* from the point of view of the American manufacturers and their bankers who have been making forced loans to avoid disaster, one department of the British Government is the same as another. \* \* \* What we are both particularly anxious that the high authorities should understand is that the present situation is not so much a sudden bolt out of the blue, as the result of a crisis that has been slowly but surely reaching the breaking point. \* \* \* We believe that unless to E. R. Stettinius, whose mind in this whole matter is most judicial and who has been most loyally fighting the battles



of the Ministry of Munitions of War, is delegated practically complete authority to settle the matter along lines he has already suggested in 29152, a crisis is likely to be precipitated sufficient to set back by many months Great Britain's desires and plans for handling her American financial requirements.

T. W. LAMONT.  
D. W. MORROW.

(Senate Munitions Committee Hearings; S. Res. 206, pt. 25, pp. 7747-7748.)

And, of course, though it came as a bolt from the blue to the British authorities, nevertheless, as Mr. Lamont and Mr. Morrow truthfully explain, it was a crisis slowly but surely reaching the breaking point.

Well, we are here today setting in motion a train of events whose consequences, believe me, Senators, will come back to some of us as a bolt out of the blue; but it will be only the crisis that will have been slowly but surely reaching the breaking point from the action we take here on this joint resolution.

To return to the rifle story:

The British Government made one more public protest "that for political if no other reasons, they cannot undertake the manufacturing of rifles in the United States," and then collapsed and bought out the rifle companies. Of course it was a violation of our neutrality, but what else could they do? Every important interest, apparently, in New York, was hooked in these companies—banks even beyond their legal limit.

Of course, this raises another question that does not seem to be touched on in the Morgan cables. Where was the United States Government all this time? Who satisfied the British Government that, after all, there would not be a "political reason" keeping them from manufacturing rifles in the United States? Could it be that the ramifications of this thing were too important for the United States Government to resist, just as they were too strong for the British? And, oddly enough, as it turned out, the British Government did not get hooked, after all. Who did get hooked? It was our own good old friend Uncle Sam who finally tasted the hook. It was not the British Government that were gouged by the munitions makers and their bankers for \$47,000,000. You might have suspected that, in the first place, might you not? As even Morgan admitted, it was an unfair settlement, but what difference did it make? The United States bought the plants from England as soon as we entered the war. Then, of course, we were stuck with them and had to use them to equip our troops with Enfield rifles, despite the serious objection of the Army authorities. Again, perhaps it was a Treasury matter. So we had to equip soldiers we ought never to have sent with rifles we never wanted to use, made in plants we never intended to own.

This apparently trifling bit of uncontrolled arms business turned out to be a humiliation to both the British and the American Governments. It was a humiliation. The British were compelled, against their express declaration, to go into munitions manufacturing here, and to pay \$47,000,000 for what they did not want and could not use. Perhaps they may have hoped to get bailed out by the United States, but I suppose they could not have been sure; not then. Anyway, the American Government was compelled to buy these plants that it did not want, either, and use them to equip its troops with a type of arms seriously objected to by its own commanders.

Newton D. Baker, Secretary of War from 1916 to 1921, told in his article, *Why We Went to War*, that—

We were able to buy a British-owned factory, built in this country after the World War began, and modified the Enfield, with which the British were armed, to our needs.

This article was quoted by the Senator from Kentucky [Mr. BARKLEY] on October 19, 1939 (CONGRESSIONAL RECORD, p. 606).

The point is that these things have ramifications. They have consequences we do not foresee. We cannot expand plant and debt and then suddenly try to cut off the only way of carrying that debt, whether it is the British Government that tries to cut it off by canceling contracts or the Ameri-

can Government that tries to cut it off by embargoes or loan bans.

The draft of a cable by one of the Morgan partners tells the story in a nutshell. It is particularly interesting because it was a draft cable. It was slightly modified before it was sent to England. But when some Morgan partner said some of these things about the consequences of cancellation of the rifle contracts, he said something we all know, but only inadvertently write down. This is it:

Moreover, it may not be averse to call attention to a growing feeling of irritation in this country at what is considered by many as unwarrantable interference with commerce and the mails, and perhaps an augmentation of such feeling consequent upon such cancellations. (Senate Munitions Committee Rept. No. 944, pt. 6, p. 84.)

The following extremely interesting and important testimony was given on that little sentence:

Mr. LAMONT. What of it?

Mr. RAUSHENBUSH. Nothing more of it than an admission that at this one time there was, at least in the opinion of somebody here in your company \* \* \* a definite connection between the financial diplomacy and foreign diplomatic relations. He saw that if the State Department ran the kind of diplomacy that asked the British to do certain things and not to do certain other things, and at that same time there was an augmentation of outrage of feeling resulting from their cancellation of the rifle contracts, such a policy might stick; we might really back up such a policy instead of writing notes about it.

Mr. LAMONT. All that amounts to is that the fellow that wrote that particular sentence in the draft cable \* \* \* had that particular fact in mind at that time. \* \* \* (No. 944, pt. 6, p. 85.)

Of course he had the fact in mind. We all have that fact in mind. We know that we cannot successfully run two national policies at once. We know that a house divided cannot stand. We know that we cannot with the right hand of our national policy in the President and the State Department try to run a policy of neutrality, and with the left hand in our great industries run another. That is what this joint resolution says it is going to do. It is labeled a "neutrality act." The President says he will do all in his power to stay out of war, or words to that effect. I would rather he would say he will stay out of this war unless somebody does so-and-so to us, and tell us just what that so-and-so is going to be.

But this is still a two-policy resolution. It says the State Department will pursue a policy of neutrality, but the great banks and the great industries—and, note this, the great labor unions—will pursue a policy of intervention. That is what it will be—frank intervention in this war by these three great influences—capital, industry, and labor, ultimately.

How long and how successfully can a country be run that is divided like that, with two completely opposing policies, both being carried on at once? Senators know we cannot get away with that forever, any more than we could do it in 1915 and 1916.

We cannot forever do one thing with our right hand and at the same time try to undo it with our left. Sooner or later the day is bound to come when the two hands must join. Sooner or later those two policies must be joined one way or the other, now as then. Either the two hands will join on neutrality, and the British Government will be, as the cable says, "adversely and seriously affected" and ourselves with it, or the State Department will have to join the munitions makers.

There is another very interesting phrase in this cable—and this part was actually sent:

Important and influential interests, financially and commercially, are concerned in all these companies, either as shareholders, noteholders, or (general) creditors. (Pt. 6, p. 84.)

Of course they were. We are setting in motion something that will equally involve "important and influential interests"; not alone, mind you, financial and commercial, but agricultural and labor as well. What are we going to do when the vast orders are out, and our ban—if we make a real one—against British borrowing threatens to destroy, or appears to threaten to destroy, Great Britain's ability to go through with her contracts, to go on purchasing the vast

overexpanded amounts of all commodities? What will happen then? Then will there not be important and influential interests, financial, commercial, agricultural, and labor, pressing us to take another step—an easing of England's financial stringency? Of course there will be, and of course we shall have to do it. Neither Congress nor the President operates in a vacuum. What, indeed, is a government but the sum and product of all the important and influential interests among its people? And what other important and influential interests are there besides financial, commercial, agricultural, and labor interests?

And as I said only the other day, the issue will not be peace or war then any more than it is made so now. Right up to the end it will be "a little more help," "we must prevent panic at home and catastrophe abroad," as Secretary of State Lansing pointed out to the President in his famous letter of September 6, 1915, on the need to change our loan policy.

What difference does it make for us not to want to drift into war if the consequence of our actions inevitably leads in that direction? The Senator from Nebraska a few days ago seemed to feel that because not one of us wants to take a step toward war, this alone is proof that we are not taking a step toward war; that in our lack of desire for war lies our safety from involvement in war. I cannot see it. The consequence of men's acts has never borne the remotest connection with the intentions of those acts. Hell, we are told, is paved with good intentions. The road to war is nothing but one long series of good intentions. It was so in 1914-17. It will be so again.

High resolve to stay out of war is going to keep us out of war? Mr. President, resolve today, in 1939, on the part of Americans and their Congress to stay out of Europe's war is no higher than was the resolve felt and expressed in 1914, 1915, and 1916 by Americans and their Congress to stay out of war.

I think we cannot afford to allow the growth of a huge arms trade or general war trade. I think we cannot afford to take the risk of encouraging an arms boom. I think we cannot afford to risk the slightest belligerent credit expansion, I do not care for how short a term or how indirectly contrived. I think we cannot afford to have a war boom of any sort. We cannot afford to have excessive orders placed and leave them hanging unfilled and perilous over our industry and agriculture. I think we have to set a quota of normal exports and stick to it. I dread what will happen otherwise. I dread the day when all these important and influential interests—which we will have allowed to entangle themselves with the British cause—will come down on us and ask for more help to England. And it is certain that they will, not once but time after time, each time requiring more and more help to England, each time making it more and more difficult for our right hand to resist what our left hand is doing. And some day those hands will join.

Most heartily do I support the amendment offered by the Senator from Wisconsin to quota our trade with belligerents on a normal peacetime average, in order to prevent the growth of a huge uncontrolled war boom which will pull this Nation and all of us down with it when it crashes, as eventually it must.

Mr. CAPPER. Mr. President, I desire to go on record as favoring the amendment of the senior Senator from Wisconsin [Mr. LA FOLLETTE].

Once again, as in the early days of the World War, the United States is in serious danger of experiencing a war boom which will shake the foundations of American economy. It is obvious that the war boom is coming; already we have seen signs of it. Steel production has been increased and inventories have risen considerably in anticipation of an increased volume of business. Although as yet large war orders may not have been placed in this country by England and France, there is little doubt that industry is speculating on such prospective orders and preparing to meet them. On September 5 the so-called war babies of Wall Street rose from 5 to 20 points on the basis of news from abroad. Clearly, large-scale orders were anticipated

No one dislikes to see signs of improvement in the industrial activity of the Nation, for certainly at the present time business revival and increased production are among the country's greatest necessities. But increased industrial activity and business expansion should spring from natural economic developments and not from purely artificial sources. We are headed down a dangerous path once we resort to such an artificial stimulus for the economic life of the Nation as a war boom. Once artificial means are resorted to, artificial means must be used again to keep the war boom going. We inevitably become more and more deeply involved and caught in a trap we unconsciously set for ourselves. Some day the war boom must end, and we all know it. But who will be willing to face that day? Who would not rather seek by any means to postpone the day of reckoning?

I believe, Mr. President, that no Senator will rise in his place and state that the coming war boom will be a good thing for the United States. On the contrary, I am sure all realize it is a dangerous and menacing phenomenon. All are united in opposition to an unlimited war boom, and everyone is certain that prosperity must be built on a firmer foundation than a temporary and changeable war export trade.

Yet, as I see it, there is no provision in the pending neutrality legislation against an unlimited war boom. Are we to toss the problem aside lightly and close our minds to the facts which we all know and to the dire consequence we all can prophesy? If we sleep now, we may awake later and find it is too late to prevent the inflation of American economy and to return the country to a normal state. The time to halt a war boom is now—not after the war boom is in full swing and beyond our control.

Mr. President, Americans must choose now between fool's gold and a sound domestic economy. We should forego momentary and short-lived profits and carefully work out a policy calculated to insure the long-run interests of America. We cannot afford to be swept off our feet by the pressures of the instant, and become heedless of our future.

At present the best estimate of the potential purchasing power of England and France shows that approximately \$7,812,000,000 is available. This includes, of course, the British and French securities in this country which could be converted into cash to pay for purchases here. However, it is uncertain to what extent Britain and France would be willing to sell these securities. We were told that England and France could not pay their war debts, despite the fact that these securities were held by them, and it seems unlikely that they will now desire to finance purchases in this country by disposing of all their holdings if they can induce us to finance the war for them.

There will probably be just enough cash to start a real war boom in this country. It appears very unlikely that this war boom will be able to continue without the extension of credit by us. But once a war boom has started, who is willing to take a step that will lead to deflation and perhaps precipitate a panic? Who is willing to bring the wheels of industry to a standstill? May not the pressure to scrap cash and carry be irresistible by 1940?

Many Senators have gone on record as opposing any extension of credit to belligerent governments, and I do not for a moment question their sincerity. We also have the Johnson Act to prevent such loans. But if we have to choose between the devil and the deep blue sea, between extending credit or facing the severe consequences of a contracting economy due to the curtailment of foreign orders, it may be easier to follow the line of least resistance and extend credit. Once we have had the business and reaped the profits it will be a thousand times harder to see the trade vanish and see the merchants of Argentina or the businessmen of Canada benefit. Now, before the trade has actually developed, it is much easier to hold our war trade to normal. Let us beware that we are not faced in 1940 with the same dilemma Secretary of State Lansing faced on September 6, 1915, when he wrote a letter to President Wilson which tells the story of what happened in 1914 and 1915. The letter reads:

MY DEAR MR. PRESIDENT: Doubtless Secretary McAdoo has discussed with you the necessity of floating Government loans for



the belligerent nations which are purchasing such great quantities of goods in this country, in order to avoid a serious financial situation which will not only affect them but this country as well.

Briefly, the situation, as I understand it, is this: Since December 1, 1914, to June 30, 1915, our exports have exceeded our imports by nearly a billion dollars, and it is estimated that the excess will be from July 1 to December 31, 1915, a billion and three-quarters. Thus for the year 1915 the excess will be approximately two and a half billions of dollars.

It is estimated that the European banks have about three and one-half billions of dollars in gold in their vaults. To withdraw any considerable amount would disastrously affect the credit of the European nations and the consequence would be a general state of bankruptcy.

If the European countries cannot find means to pay for the excess of goods sold to them over those purchased from them, they will have to stop buying and our present export trade will shrink proportionately. The result would be restriction of outputs, industrial depression, idle capital, and idle labor, numerous failures, financial demoralization, and general unrest and suffering among the laboring classes.

Probably a billion and three-quarters of the excess of European purchases can be taken care of by the sale of American securities held in Europe and by the transfer of trade balances of oriental countries, but that will leave three-quarters of a billion to be met in some other way. Furthermore, even if that is arranged, we will have to face a more serious situation in January 1916 as the American securities held abroad will have been exhausted.

I believe that Secretary McAdoo is convinced, and I agree with him, that there is only one means of avoiding this situation, which would so seriously affect economic conditions in this country, and that is the flotation of large bond issues by the belligerent governments. Our financial institutions have the money to loan and wish to do so. On account of the great balance of trade in our favor, the proceeds of these loans would be expended here. The result would be a maintenance of the credit of the borrowing nations based on their gold reserve, a continuance of our commerce at its present volume, and industrial activity, with the consequent employment of capital and labor and national prosperity.

The difficulty is—and this is what Secretary McAdoo came to see me about—that the Government early in the war announced that it considered war loans to be contrary to the true spirit of neutrality. A declaration to this effect was given to the press about August 15, 1914, by Secretary Bryan. The language is as follows: "In the judgment of this Government, loans by American bankers to any foreign nation at war is inconsistent with the true spirit of neutrality."

In October 1914, after a conference with you, I gave my impressions to certain New York bankers in reference to credit loans, but the general statement remained unaffected. In drafting the letter of January 20, 1915, to Senator Stone I sought to leave a broad statement and to explain merely the reasons for distinguishing between general loans and credit loans. However, Mr. Bryan thought it well to repeat the August declaration and it appears in the first sentence of division 13 of the latter, copy of which I enclose.

On March 31, 1915, another press statement was given out from the Department, which reads as follows:

"The State Department has from time to time received information directly or indirectly to the effect that belligerent nations had arranged with banks in the United States for credits in various sums. While loans to belligerents have been disapproved, this Government has not felt that it was justified in interposing objection to the credit arrangements which have been brought to its attention. It has neither approved these nor disapproved—it has simply taken no action in the premises and expressed no opinion."

Manifestly, the Government has committed itself to the policy of discouragement of general loans to belligerent governments. The practical reasons for the policy at the time we adopted it were sound, but basing it on the ground that loans are inconsistent with the true spirit of neutrality is now a source of embarrassment. This latter ground is as strong today as it was a year ago, while the practical reasons for discouraging loans have largely disappeared. We have more money than we can use. Popular sympathy has become crystallized in favor of one or another of the belligerents to such an extent that the purchase of bonds would in no way increase the bitterness of partisanship or cause a possibly serious situation.

Now, on the other hand, we are face to face with what appears to be a critical economic situation, which can only be relieved apparently by the investment of American capital in foreign loans to be used in liquidating the enormous balance of trade in favor of the United States.

Can we afford to let a declaration as to our conception of the true spirit of neutrality made in the first days of the war stand in the way of our national interests which seem to be seriously threatened?

If we cannot afford to do this, how are we to explain away the declaration and maintain a semblance of consistency?

My opinion is that we ought to allow the loans to be made for our own good, and I have been seeking some means of harmonizing our policy, so unconditionally announced with the flotation of general loans. As yet I have found no solution to the problem.

Secretary McAdoo considers that the situation is becoming acute and that something should be done at once to avoid the disastrous results which will follow a continuance of the present policy.

Faithfully yours,

ROBERT LANSING.

Mr. President, a war boom will injure, not aid, American industry. Additional plant facilities will be built, dies will be cast, huge investments will be made, which later on will only be a burden. There will be no use for the new machines which have been ordered, built, and installed once the foreign market collapses, as it must eventually. After the war the depression will return, and return magnified many times. Those engaged in manufacturing European war goods will be thrown out of employment, and the economic life of the United States will experience severe dislocation.

Mr. President, I am of the opinion that agriculture will not remain unharmed. As in the last war, production will be greatly expanded and geared to European war needs. Submarginal land will be brought under cultivation, and America will produce far more than she can ever consume at home. After the war, the farm problems that have been present ever since 1920 will be intensified. The transition to a normal agriculture will be difficult, if not impossible. The farmers, as is true of industry, are bound to suffer in the long run from an uncontrolled war boom.

I fear that those who are unwilling to take action to stop the approaching inflation are saddling the people of the United States with as great a burden as if they were to appropriate billions of dollars without rhyme or reason. The American people must pay for a war boom because of greatly increased prices in this country caused by increased foreign demand. Speculation and profiteering may send prices skyrocketing even higher. The people of America, I say, will have to pay for this war boom, for they will have to accept a lowered standard of living. They will be underwriting in part the cost of the war.

Not only are drastic price increases certain once the war boom gets under way but the problems of international trade and finance will become hopelessly complicated. Ninety to ninety-five percent of the world's gold will be on the American Continent, and Europe will not be able to finance her trade. After the war, this country will have to accept great quantities of goods from Europe which will compete with American manufacturers. Otherwise, there will be no means of offsetting Europe's unfavorable balance of trade, and international finance will be in a knot which will take economists years to unravel.

The United States, in cultivating the uncertain European market, will probably imperil her relations with customers nearer at home. Americans might neglect the opportunities for trade with Latin America in their concern over European markets and higher prices, and sell Latin America merchandise of a strictly second-rate character. This would be a short-sighted course, and would certainly not promote America's economic interests.

Mr. President, a large war boom will assist America's economy in no way whatsoever. It will require costly alterations and reorganizations in industry; agriculture will be encouraged to expand beyond the capacity of America to consume. More important irresistible economic forces may be unloosed that will make America no longer master of her own destiny. To foster and keep alive the war boom we may have to sacrifice all our hopes and ideals. We may be caught in such a position that we can no longer do what our reason dictates. Perhaps we shall be in a similar situation to that outlined by Walter Hines Page in March 1917 when he stated:

Perhaps our going to war is the only way in which our present preminent trade position can be maintained and a panic averted.

The best speech I could possibly make in support of the La Follette normal-trade amendment is an extract from the address of President Roosevelt at Chautauqua, N. Y., on August 14, 1936. I quote:

Industrial and agricultural production for a war market may give immense fortunes to a few men; for the Nation as a whole it produces disaster. It was the prospect of war profits that made our

farmers in the West plow up prairie land that should never have been plowed, but should have been left for grazing cattle. Today we are reaping the harvest of these war profits in the dust storms which have devastated those war-plowed areas.

It was the prospect of war profits that caused the extension of monopoly and unjustified expansion of industry and a price level so high that the normal relationship between debtor and creditor was destroyed.

Nevertheless, if war should break out again in another continent, let us not blink the fact that we would find in this country thousands of Americans who, seeking immediate riches—fools' gold—would attempt to break down or evade our neutrality.

They would tell you—and unfortunately their views would get wide publicity—that if they could produce and ship this and that and the other article to belligerent nations; the unemployed of America would all find work. They would tell you that if they could extend credit to warring nations that credit would be used in the United States to build homes and factories and pay our debts. They would tell you that America once more would capture the trade of the world.

It would be hard to resist that clamor; it would be hard for many Americans, I fear, to look beyond—to realize the inevitable penalties, the inevitable day of reckoning that comes from a false prosperity. To resist the clamor of that greed, if war should come, would require the unswerving support of all Americans who love peace.

If we face the choice of profits or peace, the Nation will answer—must answer—"we choose peace." It is the duty of all of us to encourage such a body of public opinion in this country that the answer will be clear and for all practical purposes unanimous.

Mr. President, I appeal to all Senators who are against tying up the American economy to a temporary, artificial foreign war market, to support the amendment offered by the Senator from Wisconsin to quota our trade to belligerent nations on a normal peacetime basis. His amendment would permit expansion over last year's export trade to the now belligerent nations, which would be healthy for our economy, but would prevent the development of a huge uncontrolled war-trade boom, which can only end disastrously for us.

Mr. DOWNEY. Mr. President, I desire only briefly to comment upon the quota amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE], and upon his able speech supporting that amendment.

I desire, in the first place, to make the point that, pessimistic as is his statement with respect to the danger to the American Union, so far as I know, every economist of integrity and ability in the United States supports his views. In other words, every economist says that by the passage of this measure we are opening wide the gate to the possibility of a most destructive and unfortunate war boom, with the most unhappy consequences at the end.

If there were a greater amount of time allocated I should like to read from many of the noted economists supporting the thesis of the Senator from Wisconsin, but there is no opportunity for that, and I therefore ask permission to insert in the RECORD as part of my remarks, without reading, excerpts from Jerome Frank's book, *Save America First*, abundantly supporting by quotations, fact and theory, the speech made and the amendment presented by the Senator from Wisconsin.

The PRESIDING OFFICER (Mr. HILL in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

Those foreign-war purchases are being made in considerable part with the gold we have been buying from other countries. Anyone to whom such foreign sales yields any feeling of assurance as to our enduring prosperity is amazingly short-sighted. For if we continue to receive much more gold from abroad we shall soon own so large a portion of the world's gold supply (we now have \$12,000,000,000 out of a world total of twenty-seven billions) that all other countries will be obliged forever in self-protection to discontinue the use of gold as a standard of value or a base for the medium of exchange. When and if that happens gold will have only a few minor uses. And while we shall undoubtedly have an ample supply of dental fillings and wedding rings, the value of our huge stock of gold will be almost nothing. Our foreign sales in exchange for gold will then prove to be as illusory as our earlier sales for worthless foreign loans. Once more we will have given our goods away to Europe.

Sales and credits based on foreign-owned American securities could last for quite a period. Those purchases, however, would produce an unhealthy boom, which would be followed by another sickening collapse—unless, meanwhile, we worked out the problems of our domestic economy. But in a boom time it is peculiarly difficult to persuade men to think of ways to meet the inevitable depression.

The depression sure to follow the cessation of those war purchases could be temporarily averted if a world war were then in progress—and we entered that war. In short, there is the gravest danger that, unless we deliberately and intelligently choose an alternative course, we may now be at the beginning of another 1914-29 cycle. (Jerome Frank, *Save America First*, pp. 137-138.)

If we are to stay out of the next European war, the only safe policy is to stay out of Europe's preparations for war.

Every student of our conduct prior to our entry into the last war agrees that nonparticipation was made all but impossible because of our previous huge shipments to the belligerents. Lloyd George and Tardieu were both sure that our war trade would make it impossible for us to preserve our neutrality, and that it was only a question of time before we would join England and France. And there is only an artificial distinction between huge sales to belligerents after they declare war and when they are approaching war. The same forces are now at work that were operative in 1914-17.

No; if we seriously propose to stay out of the next European war, we need now to take steps to reduce our exports. We need now to go in for relative self-sufficiency and to develop for ourselves the riches of our own continent.

Mr. DOWNEY. Mr. President, I repeat, and I challenge contradiction, that so far as I know every other reputable economist in the United States is warning the Chief Executive of the United States and the Members of Congress that we are possibly inaugurating, by the passage of this measure, a frenzied war trade that may carry us into a factitious prosperity and leave us at the end standing on the abyss of an economic disaster deeper than that of 1929.

I wish to say something now, Mr. President, without any invidious meaning, because I do believe that Senators do not thoroughly comprehend what they are doing: We are passing over to British and French leaders the control of our economy. When we meet in session here next January Senators will not be able effectually to plan economic reforms for the United States. We will not know how to rationalize our disbursements, our deficits, and our relief payments, because by the passage of this measure we will have put it out of our power to know what our future economy is to be. Judging by the war years from 1914 to 1918 it may be that Great Britain and France may spend \$2,000,000,000, \$3,000,000,000, \$4,000,000,000, yes, \$5,000,000,000 a year in the purchase of war materials. If they do that, Mr. President, we are headed for a disastrous inflation and a frenzied boom, and it will then be the decision of British and French leaders to cut off those purchases whenever and however they desire, regardless of the demoralizing consequences to our business structure. It may be that 6 months from now 3,000,000, 4,000,000, 5,000,000 American workers will be working in factories producing war materials for the British and French. It may be that in a single day peace will come suddenly and unexpectedly. Or it may be that arbitrarily and capriciously the orders may be cut off, or such orders may continue for years.

I say to you, Mr. President, and I say it with solemnity, I dreadfully apprehend the condition that we, as Members of the Senate of the United States, are helping to create by throwing down the bars to a war trade whose kind, amount, and duration we cannot hope to anticipate.

Mr. President, read, if you please, the statements of columnists of America today. Some of them say that we will have a diminution of our favorable trade balance. Some say that we must expect great war purchases with a great war boom. The truth is none of them can know what will happen. When the pending legislation is once passed there will be only a limited number of men who will know what is to happen to the American economy. Will the Chief Executive of the United States, or you gentlemen, be among that number? You will not, it will be British and French statesmen. And we here, Senators of the United States, by the passage of this measure will be turning over to foreign governments the control of our economy, and making it impossible for us to rationalize and work out any decent scheme of relief, any sound reduction of our deficit, and any solution of insecurity and unemployment.

Mr. President, last spring a body of experts presented data covering the business of this Nation at a hearing before the Temporary National Economic Committee, before which



were called the great industrialists, bankers, and economists of the Nation. The investigation extended over a period of months. It considered data collected by statisticians over a number of years. Such data revealed a hazardous condition in our economy beyond exaggeration. There is not opportunity here now to discuss the findings, but I challenge any Senator who has read them to deny that they indicate a weakened and shivering economy, an economy which we, Mr. President, will require all our intelligence, patience, and tolerance safely to carry through under a free government and a capitalistic economy.

In the face of our disastrous condition, with the ship of state almost sinking in its own harbor, we are sailing into the hurricanes under the direction and control of the British and French Cabinets.

I should like to challenge any proponent of the pending measure to rise and state if he has any way of knowing the amount of war orders that will come from Britain and France. Does he know whether those war orders will give us a billion dollars a year favorable trade balance, \$2,000,000,000, \$3,000,000,000, \$4,000,000,000, \$5,000,000,000? I ask solemnly, Mr. President, if we embark upon a policy which throws into uncertainty and into confusion our entire economy, how can we hope to accomplish, in that chaos and that confusion, that which for 10 years neither the Republican leaders nor the Democratic leaders have yet been able to accomplish?

Yes, I appeal to Senators who are known as conservatives. Have they forgotten that the Federal deficit is now increasing at the rate of \$300,000,000 a month? Have they forgotten that it has grown as though by some natural law inexorably, rapidly, steadily, and that that increasing public debt is a barometer indicating clearly our weakened economy, and the danger to our banks, insurance companies, and to governmental credit itself?

Mr. President, 5 years from now, or 10 years from now, the speech and the amendment offered by the Senator from Wisconsin will be recognized and valued as a notable effort of statesmanship, an effort rationally to hold our economy in balance; an effort not to assist great empires at cost to ourselves, but an effort to place first of all the welfare and the well-being of the American people.

Mr. President, a word or two further, and I shall conclude. I believe the first duty of the Senate of the United States is a consideration of the hazard to our own people of the joint resolution if it is passed. I therefore fervently urge an affirmative vote on the amendment offered by the Senator from Wisconsin as the first rational attempt to solve the problems of a chaotic war-torn world for the welfare of the American people alone.

Mr. FRAZIER. Mr. President, I am strongly in favor of the amendment offered by the Senator from Wisconsin.

When I took occasion to speak on the neutrality joint resolution a few days ago, I mentioned the fact that I was in favor of a stricter embargo, especially on arms, and a limitation on the exportation of all food products and other exports from this country to prevent a war boom. I am still of that opinion. I remember too well the boom during the World War, and the effect it had later.

The President's Chautauqua speech has been quoted a number of times. It was a very good speech on this subject. In his first paragraph he spoke of the situation in the Farm Belt during that year, and said that the war profits on farm products made the farmers plow up prairie land which should not have been plowed up. That is true to a large extent; and yet a little explanation is due.

Most of the area which was plowed up during the wartime, and which afterward became the Dust Bowl, was in the wheat area. The price of wheat was fixed by the Congress of the United States at the beginning of the World War. That is, the minimum price was fixed, and the Food Administrator made it a maximum price. That price did not allow very much profit for the wheat growers after the prices of all the products which the farmer had to buy went up. His expenses were higher, and he made but little on his wheat.

In my own State of North Dakota during those years we were asked by the Government itself to raise more wheat. We were asked to produce more flaxseed, because the Government needed more linseed oil. We tried to do our part. Our State defense council in some cases ordered ranchers who had a large amount of unplowed land to plow up some of their land and seed it to flax in order to produce flaxseed for linseed oil, because the Government wanted it. It was not so much because of profit, but because of the demand of the Government itself that the farmers do a patriotic duty for the Government to help it win the war in which we were then engaged.

More than that, Mr. President, the banks throughout our State were told to put out money to encourage the farmers to raise more products. They solicited loans from the farmers, telling them they could obtain the money without any security whatever. The banks loaned the farmers the money to seed more land to wheat and flax. So the fault was not entirely the farmers', by any means.

However, the fact remains that the crop area was greatly expanded; and afterward we were deflated, beginning in 1920 and 1921. We have not yet gotten over the deflation. So, Mr. President, I think anything that can be done to prevent another war boom, either before the United States enters the war—if it does—or afterward, or at any time, should have our favorable consideration. A war boom does not bring prosperity to the people in general. I know it did not bring prosperity to the farmers in my section of the country. They have been going broke ever since because of the after effects of the World War.

So I am strongly in favor of the pending amendment and hope that it will be adopted.

Mr. HOLT. Mr. President, the La Follette amendment is designed to prevent our economic involvement in war. We may become involved in war—emotionally, economically, and in many other ways. I believe the Nation is emotionally excited, and I do not want it to become economically involved, because when we have emotional and economic pressure it is very difficult to stop the momentum. There is no doubt in the mind of anyone who has studied the history of the war-time boom of 1914 to 1917 that it did affect our involvement in the war.

War trade is like a drug. The more it is used, the more certain it is that we cannot escape its final effects. I feel that we should face this issue while we can. Once we start it, it is not easy to stop. The La Follette amendment will be a safeguard against our involvement economically. It will help our national defense. It is sound from the standpoint of economics.

We want and need prosperity, sound prosperity, built on the development of peaceful enterprise here in our own country.

We must not get to the place where we are called to choose between a depression or participation in war to uphold a mushroom war trade.

False war prosperity is the cheese in the trap; America will try to get the cheese without the trap coming down on its neck. It tried before and failed. If it tries now, it will again fail.

Mr. VANDENBERG. Mr. President, I should like to ask the Senator from Wisconsin [Mr. LA FOLLETTE] a question in my time. It is my understanding that his amendment proposes to regulate and limit war trade through the application of the equivalent of normal quotas. I seem to have a recollection that the distinguished Secretary of State, Mr. Cordell Hull, approved that sort of regulation in his testimony before the Foreign Relations Committee. I ask the Senator from Wisconsin, in my time, whether or not my recollection is correct.

Mr. LA FOLLETTE. Mr. President, the Senator will recall that in the 1936 measure, which was before the committee, there was a provision which permitted the President to add certain war materials, in addition to arms, ammunition, and implements of war, to the list of those which would

then be prohibited in excess of the normal amount of exports. During the course of his appearance before the committee, the Secretary indicated his complete approval of that proposal. He said, in part:

When we assure to every nation its normal trade we do not violate either the substance or the spirit of any peacetime trade agreements; if all the nations would notify warlike countries that if they went to war they would not get a nickel's worth of materials purely for the purpose of prosecuting the war above the normal trade volume \* \* \*.

I also wish to quote what he said in another instance.

Our own Government undertook to ration normal trade to neutral countries in Europe after it entered the war, and the allied governments undertook during most of the war to ration normal trade to the countries contiguous to the Central Powers. We, of course, are aware that there are difficulties in any extremely complicated question such as this presents; but there is no other way without controversy, without misunderstanding, to present a policy to the other nations except the usual, normal peacetime trading policy. Nobody can object to that; and evidently it can be fairly well administered, as they did, so far as my information goes, administer it during the war.

If the Senator will permit me further, I should like to quote from Assistant Secretary Moore, who said, in response to a question:

I may say, Senator, that the persons who have been addressing themselves to that subject in the Department are perfectly satisfied that the bill, if it should be enacted into law in that respect, could be effectively administered.

Mr. VANDENBERG. I thank the Senator for the information. It vindicates my memory. I was perfectly sure that the distinguished Secretary of State has thoroughly approved the principle involved in the La Follette amendment.

Mr. PITTMAN. Mr. President, I think it is very unfortunate when a few sentences are selected from the testimony of a witness who testified for hours, if not days, with regard to this whole subject. It is well known to every member of the committee that the Secretary of State has always favored our Government acting under international law. I do not think anyone denies that. On every occasion when he has testified, he has testified as to whether it was better to have this particular domestic law or that particular domestic law; but everyone knows that from the very beginning Secretary Hull has been in favor of our Government acting under international law.

Mr. JOHNSON of California. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from California?

Mr. PITTMAN. I yield for a question.

Mr. JOHNSON of California. My recollection is not of that character at all. If the Senator recalls, the Secretary of State and the Counselor of the State Department said that international law was practically nil, and neither one of them advocated our reversion to international law.

Mr. PITTMAN. That is not my recollection at all.

Mr. JOHNSON of California. I state that merely as my recollection of his testimony. The testimony was given 3 or 4 years ago. I have not perused it since then, but I have a very lively recollection of some little tilts with him on that subject.

Mr. PITTMAN. I think the Senator from California and the Secretary of State were very much in accord on international law at that time; and I know that the Counselor of the State Department, Judge Moore, stated time and again that, of course, so far as the State Department was concerned, they wanted just as much discretion given to the President as the committee was willing to give him.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. PITTMAN. Yes.

Mr. BARKLEY. In the excerpt from Judge Moore's testimony just read by the Senator from Wisconsin, all he said was that if Congress passed such a law, it would be effectively administered. He was not recommending it, as I understood. Of course, any law would be effectively administered.

Mr. PITTMAN. I think the law of evidence governs in this case as it does anywhere else. We cannot take excerpts and sentences from a witness' testimony, or from a letter, or anything else, and expect it to be the whole evidence.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. Whether or not the distinguished Secretary was pleading for a return to international law, the fact remains that we are not returning to international law; and is it not a fact that the Secretary suggested that if we were to abandon international law, one of the appropriate and reliable methods of control would be the general scheme of limiting our war exports to peacetime quotas?

Mr. PITTMAN. I remember no such statement as that at all. This subject has been discussed for a long time. It was discussed in 1935, and abandoned by the entire committee, and abandoned by the United States Senate. The reading of it is sufficient argument against it.

Mr. NYE. Mr. President, I cannot believe other than that there was consideration at one stage by the administration, including its Secretary of State, of the question of normal quotas. I distinctly remember a message from the President of the United States, sent to the Congress on January 3, 1936, in direct, most absolute endorsement of the amendment which is pending before the Senate at the present time. I quote from that message:

As a consistent part of a clear policy, the United States is following a twofold neutrality toward any and all nations which engage in wars that are not of immediate concern to the Americas. First, we decline to encourage the prosecution of war by permitting belligerents to obtain arms, ammunition, or implements of war from the United States; second, we seek to discourage the use by belligerent nations of any and all American products calculated to facilitate the prosecution of a war in quantities over and above our normal exports to them in time of peace.

I trust that these clear objectives thus unequivocally stated will be carried forward by cooperation between this Congress and the President.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] to the amendment in the nature of a substitute.

Mr. LA FOLLETTE. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. LA FOLLETTE. Mr. President, I desire to make a brief statement. I still have 10 minutes on the amendment.

I should be the last to wish to place the distinguished Secretary of State in a position which he did not assume, but I think any fair reading of his testimony given in support of the bill pending before the Foreign Relations Committee, and introduced by the Senator from Nevada [Mr. PITTMAN], providing for discretionary power on the part of the President to add to the quotas on arms, ammunition, and implements of war other commodities, must lead to the conclusion that while perhaps the Secretary of State was not stating there his preference, he was, and the whole effect of his testimony was, in support of the bill which the Senator from Nevada had introduced. I think the whole testimony bears that decided and proper interpretation, and I ask to have further excerpts from his testimony, in addition to those which I read in response to the question of the Senator from Michigan [Mr. VANDENBERG] incorporated in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit A.]

Mr. LA FOLLETTE. Mr. President, just a further word on the amendment.

Let me say to my colleagues in the Senate that, in my judgment, the time when we have any opportunity to impose any controls upon a wartime boom is here—and now. It will do no good for any Senator to say to himself that he will vote against this amendment because, at some future time, he may decide that if such a menace to our economy occurs, he will then proceed to offer some suggestion to curtail it.



Mr. President, once the war boom has commenced, once it has gone beyond the limitations imposed by this amendment, which provides for an increase of a billion dollars a year in our trade to belligerents over what we had in 1939, and an unlimited increase to neutrals so long as it is for their own consumption—the moment it goes beyond that point and begins to put men to work, begins to stimulate the mines and the factories and the farms of the country, it will be too late to curb the resulting distortion of our economy, for it will not be possible in a democracy to deny the increased employment, the increased sales, and the increased profits.

Mr. President, in conclusion let me repeat that, in my judgment, we shall take a dangerous step if we permit this joint resolution to pass without any curb or control upon the distortion which will be immediately effective upon our industrial economy, and which, if the war in Europe is sufficiently prolonged, will manifest itself in a further distortion of our agricultural economy.

Mr. KING. Mr. President, will the Senator permit a question in my time?

Mr. LA FOLLETTE. I shall be glad to yield to the Senator from Utah in my time.

Mr. KING. Assume that the United States for a number of years has been exporting to Germany, in round numbers, say, a million bushels of wheat and potatoes and various other commodities essential to life, and has been shipping to Great Britain just 100,000 bushels—one-tenth as much in quantity and in price as were exported to Germany. If I understand the measure before us, we would be compelled to make distribution or sales in that proportion. Great Britain would have only one-tenth as much as we were shipping to Germany, and the same principle would apply as to all other commodities.

Mr. LA FOLLETTE. Mr. President, I think the Senator does not apprehend fully the import of the amendment. All that is proposed is that in the various basic classifications a particular country shall receive a quota, and within those classifications the country might purchase in any amount desired. Therefore, the commodities, so far as agricultural products are concerned, would fall into one category, and the country involved could purchase whatever commodities within the group it desired to purchase.

Mr. KING. But would not the categories be governed by the quotas, or would not the quotas which were allotted to each country be based upon the preceding exports to the respective countries, whether arms, ammunition, or the necessities of life? Whatever we had been selling to any belligerent country we would be compelled to sell to that country in the same proportion and also to other belligerent countries in the same proportion we had been selling to them. It seems to me that would be very unjust and very unfair. It would not be equality in any sense; it would be discrimination.

Mr. LA FOLLETTE. Mr. President, I cannot agree with the Senator, because this particular quota would permit belligerents to obtain vastly more than they bought from us in 1939, or in any year of the depression, because it would permit the board to take the 4 years 1927 to 1930, inclusive.

#### EXHIBIT A

##### NORMAL TRADE

In 1936 Secretary of State Cordell Hull appeared before the Senate Foreign Relations Committee in support of the administration's neutrality bill of that year which contained a normal-trade quota provision. This bill was introduced by Senator PITTMAN in the Senate and Congressman McReynolds in the House. The bill had in it a provision giving the President power to name certain war materials (not including arms, ammunition, and implements of war which were separately covered under the arms-embargo provision of that bill), the shipment of which from the United States to belligerents or to neutral countries for transshipment to or for the use of belligerents, would then be prohibited in excess of the normal amount of export of such articles, to be based on the average for a previous period of years to be determined by the President.

Secretary Hull spoke in favor of the desirability of holding shipments of certain key war materials down to a normal peacetime amount.

He said:

"I have not myself seen any good reason for a complete embargo, except as to the articles mentioned in section 3 (i. e., arms, ammunition, and implements of war), either on free goods or on condi-

tional contraband, or any restrictions on any articles except those mentioned in section 4. That enables this Nation to stand out before all the nations of the world as permitting normal trade at all times between this country and belligerents, but definitely drawing the line between this trade and what would be avowedly aid on the part of this country to belligerents to prosecute the war by furnishing abnormal quantities of war materials for war purposes.

"I think, myself—I may be entirely wrong—that that policy, if made known everywhere, and if practiced everywhere, would not be open to valid objection. When we assure to every nation its normal trade we do not violate either the substance or the spirit of any peacetime trade agreements; if all the nations would notify warlike countries that if they went to war they would not get a nickel's worth of materials purely for the purpose of prosecuting the war above the normal trade volume." (Hearings, p. 16, Senate Foreign Relations Committee, 1936.)

Secretary HULL. The theory of the Neutrality Act of last August in embargoing exports of finished war commodities to belligerents was to keep us out of war. Of course, we all know that. That was the primary, paramount, controlling purpose of it. The theory of section 4 in the present bill, relating to embargoing of such abnormal shipments of prime war materials as might take place, is just as much or perhaps more to keep us from being drawn into war as the embargoing of these finished implements of war.

Senator CONNALLY. You have spoken of materials which have always been recognized as contraband. Is it not true that under modern conditions the list of those articles has been very greatly increased?

Secretary HULL. Unquestionably.

Senator CONNALLY. Is it not practically true, as Senator JOHNSON suggested, that almost any commodity in some way enters into making war materials—chemicals, steel, iron, clothing, food, and oil?

Secretary HULL. There is a greatly increased number of them. If there is danger of our being drawn into war on account of exporting finished commodities, the danger is all the greater about being drawn in on account of exporting these materials in abnormal quantities. (Hearings, p. 20.)

Secretary HULL. We said that it was justifiable, and we thought sound, for this Nation to pursue a policy of normal trade with all the nations of the world, belligerents and others alike; but that if and when we were called upon by belligerents to supply them with war materials in abnormal quantities for war purposes this could not be unconditionally harmonized with the congressional requirement to keep the Nation out of war by embargoing the finished products of such materials. Hence I felt that the President should be allowed discretion to deal with such conditions in the light of the danger to our country involved.

So we approached the situation, as I said the other day—and I guess I might as well repeat it if there is no objection—from the standpoint of keeping the Nation as far away from this war as possible and thus keep it out of it. In other words, the theory was based on the policy of the Neutrality Act. In other words, as we approached it from the opposite direction of the other nations we had in mind a definite policy relating to our domestic safety and our domestic welfare and security—the importance of keeping out of war.

Our view was that from the standpoint of keeping out of the war, no nation has a right to go out and get into a war, no matter who is responsible for it, and then turn around to a friendly neutral and demand of it that it be furnished with the necessary war supplies to carry on the war under penalty of being unneutral.

With a view of keeping the country out, we felt that nobody can object to a nation carrying on normal trade; but whenever any nation demands of a peaceful neutral nation that it go further, and single out and segregate purely war materials and war supplies, and feed them out to the warring nations, we said that there is not and never has been any international law or any other kind of law or reason that would compel a peaceful nation to do that regardless of the dangers involved (pp. 64-65).

Senator JOHNSON. I asked you the other day, but I do not recall that you answered, whether there has been worked out a method by which the normal trade relations could be accurately determined.

Secretary HULL. Our own Government undertook to ration normal trade to neutral countries in Europe after it entered the war, and the allied governments undertook during most of the war to ration normal trade to the countries contiguous to the Central Powers. We, of course, are aware that there are difficulties in any extremely complicated question such as this presents; but there is no other way without controversy, without misunderstanding, to present a policy to the other nations except the usual, normal peacetime trading policy. Nobody can object to that; and evidently it can be fairly well administered, as they did, so far as my information goes, administer it during the war.

Assistant Secretary MOORE. I may say, Senator, that the persons who have been addressing themselves to that subject in the Department are perfectly satisfied that the bill, if it should be enacted into law in that respect, could be effectively administered. (Hearings, pp. 95 and 96; 1936 Neutrality Hearings before the Senate Committee on Foreign Relations on S. 3474.)

Mr. WILEY. Mr. President, I should like to ask my colleague a question. I do not know of any previous discussion in the Senate on the subject, and it seems to me this matter is of such significant importance that it should have been included in a bill by itself.

I desire to obtain some information as to the mechanics of the proposal. As my colleague knows, our State is a dairy State, where a great deal of cheese and butter is produced. Let us make the matter concrete. Right now, according to the radio this morning, the English people are rationed to 2 ounces of butter a week, because apparently the German blockade of Denmark is effective, which means that they are not getting their usual supply of butter.

The Senator knows that we in Wisconsin need a market for butter and cheese. He also knows that we have not been exporting any considerable quantity of butter and cheese in the last 2 years. Under his amendment, would we be limited to the average of 4 years, in the matter of butter and cheese, in selling to Britain?

Mr. LA FOLLETTE. If the Senator will permit an answer to the question in his time, under the provisions of the amendment a category of processed foodstuffs would be set up for each of the belligerents. The Board may take any 4 consecutive years, under the terms of the amendment, within the last 12 years. The highest years would be, without question, 1927 to 1930, because that period includes 3 years in which we were actively stimulating our wartime trade by loans abroad, and it includes, practically, only the first year of the depression.

Under the terms of the amendment as it is drawn the Board would set up a quota of foodstuffs for the British Empire. The British purchasing agent could allocate that in any way he desired within the category of foodstuffs. In other words, he would not have to buy exactly the average amount of butter or cheese Britain imported in the 4-year period, but he could buy any kind of foodstuffs he desired to buy, and the British people needed. Therefore it is impossible to say to the Senator from Wisconsin whether or not such purchases would flow into butter and cheese, or whether they would go for wheat, or what they would go for, because that would depend entirely, within the quota, upon the needs and the discretion of the purchasing agent of the belligerent involved.

Mr. WILEY. I thank the Senator for the explanation. I can agree with the general theory of the amendment, but it seems to me there is another side to the question. We have to realize that we are living in a practical world; we have to realize, also, that we have commodities to sell, and we have to realize that for 10 years we have tried to find employment for our people. We have to realize that 9 out of 10 of the farmers in Wisconsin are literally starving to death because they cannot get a market for their wares. I am not in favor of a wartime boom, but it seems to me we have to consider whether the amendment would operate as a check on normal trade which might develop under the situation in which we find ourselves.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Wisconsin [Mr. LA FOLLETTE] to the amendment of the committee in the nature of a substitute. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS], and I am informed that were he present he would vote "nay." I transfer that pair to the senior Senator from Washington [Mr. BONE], and vote "yea."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are detained from the Senate because of illness.

The Senator from Arizona [Mr. ASHURST] is absent because of illness in his family.

The Senator from Indiana [Mr. VAN NUYS] is unavoidably detained.

The result was announced—yeas 22, nays 67, as follows:

#### YEAS—22

Bulow	Donahey	La Follette	Tobey
Capper	Downey	Lodge	Vandenberg
Chavez	Frazier	Lundeen	Walsh
Clark, Idaho	Holman	McNary	Wiley
Clark, Mo.	Holt	Nye	
Danaher	Johnson, Calif.	Shipstead	

#### NAYS—67

Adams	Ellender	Lee	Russell
Andrews	George	Lucas	Schwartz
Austin	Gerry	McCarran	Schwellenbach
Bailey	Gibson	McKellar	Sheppard
Bankhead	Gillette	Maloney	Slattery
Barbour	Green	Mead	Smathers
Barkley	Guffey	Miller	Smith
Bilbo	Gurney	Minton	Stewart
Bridges	Hale	Murray	Taft
Brown	Harrison	Neely	Thomas, Okla.
Burke	Hatch	Norris	Thomas, Utah
Byrd	Hayden	O'Mahoney	Townsend
Byrnes	Herring	Overton	Truman
Caraway	Hill	Pepper	Tydings
Chandler	Hughes	Pittman	Wagner
Connally	Johnson, Colo.	Radcliffe	Wheeler
Davis	King	Reynolds	

#### NOT VOTING—7

Ashurst	Borah	Reed	White
Bone	Glass	Van Nuys	

So Mr. LA FOLLETTE's amendment to the amendment of the committee in the nature of a substitute was rejected.

Mr. TOBEY obtained the floor.

Mr. WHEELER. Mr. President, will the Senator yield to me for a moment in order that I may make a motion?

Mr. TOBEY. I yield.

Mr. WHEELER. I desire to enter a motion to reconsider the vote by which the amendment of the Senator from Missouri [Mr. CLARK] to the amendment in the nature of a substitute was rejected yesterday, to be found in the CONGRESSIONAL RECORD of yesterday on pages 804-805.

The PRESIDING OFFICER. The motion will be entered.

Mr. TOBEY. Mr. President, I ask that the amendment proposed by me be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to add the following new section:

SEC. 20. (a) It shall be unlawful for any foreign vessel at any time to use the flag of the United States thereon, or to use any distinctive signs or markings, in order to make it appear that such vessel is an American vessel, regardless of whether such use is for the purpose of escaping capture by an enemy vessel or for any other purpose.

(b) Any vessel which violates the provisions of this section shall be forfeited to the United States, together with the equipment and cargo of such vessel; and the master of any such vessel shall be fined not more than \$20,000 or imprisoned not more than 2 years, or both.

(c) The Secretary of State is hereby authorized and directed to notify all foreign states of the provisions of this section.

Mr. TOBEY. Mr. President, on September 26 of this year, Winston Churchill, First Lord of the Admiralty of the British Navy, announced in the House of Commons that Great Britain would adopt the practice of arming her merchant vessels to combat enemy submarines.

On October 1 Berlin announced that this action of England made it necessary for Germany to view such armed merchant ships in a category similar to warships and subject to the same treatment.

In taking this stand, Berlin contended that if its submarines rose to the surface to make a visit and search of the armed merchant vessels of the enemy, they would risk a broadside.

So, regardless of the merits of the respective positions of the two belligerents, the fact is that open warfare now exists on the high seas between belligerent armed merchant vessels and submarines.

During the World War, in 1915, while this country was a neutral nation, the British Admiralty advised its merchant vessels to fly the flag of the United States and other neutrals as a war ruse to deceive the enemy and escape capture. That this was frequently practiced is a matter of history.



Belligerent merchant vessels using the American flag as a subterfuge, which vessels were armed and ready at instant notice to fire upon the enemy, were something like the wolf wearing sheep's clothing, but to be more accurate, it was a case of the wolf wearing goat's clothing, because Uncle Sam was made the goat.

Time and time again the United States Government protested against this compromise of the American flag, and pointed out to England—and I quote:

The formal declaration of such a policy of general misuse of a neutral flag jeopardizes the vessels of the neutral \* \* \* in a peculiar degree, by raising the presumption that they are of belligerent nationality regardless of the flag that they may carry. \* \* \*

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. NORRIS. I am in sympathy with what the Senator from New Hampshire evidently wants to accomplish by his amendment, but I wish to ask him what right the American Congress has to provide for the control of foreign ships, and how could we enforce the penalties proposed to be provided? I may be wrong about this, but I understand that it has been the practice ever since there have been any navies on the seas for all governments indiscriminately, for purpose of deception, of course, to use the flags of any nations they wish to use. I think that is not an honorable way to carry on warfare, but I do not know how to remedy that situation. It seems to me the United States cannot pass a law which will have any effect on Germany, which is guilty, or on England, which is guilty, and, Mr. President, I think we ourselves are guilty. I should like to have the Senator explain how we can effectively pass any such law applicable to ships of foreign nations.

Mr. TOBEY. I shall be happy to explain it. The Senator has raised a perfectly natural objection which would occur to the mind of any hearer at first thought. I think I can answer him—I hope conclusively. There are precedents for the action I suggest. I now read to the Senator from Nebraska and to my colleagues sections 409 and 410 of the penal code of the Netherlands:

SEC. 409. The master of a vessel who carries the flag of the Netherlands knowing that he is not entitled thereto shall be punished with imprisonment for a period of up to 1 year or a fine up to 300 guilders.

SEC. 410. The master of a ship who by deliberate use of signs of distinction gives the appearance to his vessel of a Netherlands man-of-war or a pilot vessel in the service of the Netherlands waters or canals shall be punished by imprisonment up to 3 months or by a fine up to 300 guilders.

Amplifying that, I shall read, in the course of the 10-minute speech which I have prepared, precedents which will further answer the Senator from Nebraska.

Mr. NORRIS. Mr. President, will the Senator yield further?

Mr. TOBEY. I yield.

Mr. NORRIS. Was that law passed by the Netherlands Government?

Mr. TOBEY. It was.

Mr. NORRIS. Did it attempt to control ships of other countries or merely ships of the Netherlands?

Mr. TOBEY. It applied to vessels of other nations.

Mr. NORRIS. What effect did it have? Were there ever any prosecutions under that law, or was anyone ever convicted under it?

Mr. TOBEY. I again state to the Senator from Nebraska that as I go along I shall produce other precedents. I quote now from the United States Government protest against the practice of compromising the American flag, used by England in 1915. I quote further:

It would be a serious and constant menace to the lives and vessels of American citizens \* \* \* and would even seem to impose upon the Government of Great Britain a measure of responsibility for the loss of American lives and vessels in case of an attack by a German naval force.

As I have said, repeated protests were registered by the United States Government with Great Britain. Not only was

the practice admittedly continued, but the British Cabinet Minister concerned, in a dispatch to the American Ambassador dated November 2, 1915, said:

In replying to the inquiry contained in Your Excellency's communication of September 29 last, I would therefore take the liberty in suggesting that your Government may, on further consideration of the matter, be willing to desist from bringing these reports to the notice of His Majesty's Government, or, at least, from putting forth the request for information by which they have hitherto been accompanied.

Great Britain, in her refusal to heed the protests of our State Department, pointed out with emphasis that the United States Government had no law on its statute books prohibiting the use of the American flag by belligerent nations. Great Britain herself, who had been guilty many times of usurping the prerogatives of our flag, pointed out as one of the reasons for doing so that we lacked a statute forbidding it. It is a matter of history that during the last war, while we were still a neutral, belligerent merchant vessels were using the American flag as a war ruse and thereby placing American lives and vessels in jeopardy.

It is a matter of history that during that same period a number of merchant vessels of the neutral United States were sunk. We cannot afford not to profit by the experience of those tragedies. It is only fair to the American people for this Congress to enact a law forbidding this compromising of the American flag by belligerents. I have therefore proposed an amendment to the neutrality legislation, now pending, which reads as follows:

SEC. 20. (a) It shall be unlawful for any foreign vessel at any time to use the flag of the United States thereon, or to use any distinctive signs or markings, in order to make it appear that such vessel is an American vessel, regardless of whether such use is for the purpose of escaping capture by an enemy vessel or for any other purpose.

(b) Any vessel which violates the provisions of this section shall be forfeited to the United States, together with the equipment and cargo of such vessel; and the master of any such vessel shall be fined not more than \$20,000 or imprisoned not more than 2 years, or both.

(c) The Secretary of State is hereby authorized and directed to notify all foreign states of the provisions of this section.

With this provision made the law of the land, it will then no longer be possible for belligerent nations to condone the use of the American flag as a war ruse and refuse to recognize our protests on the ground that the United States has no law forbidding such practice, which I again bring to the attention of the Senate was the fundamental reason given by Great Britain for carrying on this practice.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. BARKLEY. The Senator would make it unlawful for any foreign vessel at any time to use the flag of the United States anywhere in the world?

Mr. TOBEY. That is correct.

Mr. BARKLEY. The United States has no jurisdiction beyond the 3-mile limit, or within a reasonable distance of the shores of the United States. As a practical matter, how would the United States enforce a law of that sort in foreign waters, where we have no jurisdiction over persons or property?

Mr. TOBEY. I think I can answer the Senator. Given a ship which used this practice, and which came under the penalty clause of the proposed statute which I have just read, this is the way the law would function, in my judgment:

Ships engaged in the commerce of the world have their accepted routes. They go back and forth in commerce. Many of them come to this country; sooner or later most of them come to this country. When, if ever, a ship guilty of this practice came to an American port it would then be subject to seizure; and if the ship were sold to another owner it would have a mortgage or lien on it, so to speak. It would be sold subject to the ban of the United States.

Mr. BARKLEY. Ships guilty of violating the law might never come into an American port. They might sail the seven seas from one continent to another and never come within the jurisdiction of the United States.

Mr. TOBEY. Quite correct. I know of no law that is perfect in its administration or penalties. But before God, and before the American people, let us do something to change this anomaly, which permits abuse of the influence and power of the American flag.

Let me go further. When ships which are known to be banned by the American Government come into any port they will be more difficult to sell for that reason. They have a lien upon them, if you please, to the American Government. They are unclean in American commerce.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. TOBEY. I yield.

Mr. BARKLEY. I can understand how we might prevent a ship which had falsely used the flag of the United States from coming into an American port; but I still doubt the practicability of enforcing a law of this sort, because if a ship were guilty of a violation of the law it would probably, by design, not come into an American port.

Mr. TOBEY. That may be true; but we have other ports than American continental ports. We have ports in the Philippines. So far as it lies within our power we ought to do something about this matter.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. DANAHER. I thank the Senator for yielding to me. In answer to the question of the Senator from Kentucky, if the Senator from New Hampshire will permit me, we could certainly impose a penalty on vessels of any nation which so violated the statute proposed by the Senator from New Hampshire. They could be denied the privilege of purchasing anything under the cash-and-carry plan. Then, when the Secretary of State of the United States found that there had been a violation of our statute, we could most certainly invoke the penalty and forbid exports to such an offending nation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. BARKLEY. The only articles purchased by vessels are the articles necessary for their own navigation and their own supplies. It is not the vessels which purchase the commodities which are shipped upon them. It is the purchasers abroad. We could not reach them.

Mr. DANAHER. Mr. President, if the Senator from New Hampshire will yield to me further, I did not say anything about the offending ship being a purchaser. I said the offending nation of which that ship is a national. We could then impose upon the nation in which that ship is registered the duty of protecting our own commerce. That is one practical way to do it. I will say to the Senator that the law would operate very definitely.

Mr. SHIPSTEAD, Mr. CLARK of Missouri, and Mr. SCHWELLENBACH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield, and if so, to whom?

Mr. TOBEY. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. There is another way in which we could possibly enforce the proposed law. The captain and the crew of the ship are agents of the company which employs them; and that company must meet certain conditions in order to have a right to enter our ports.

Mr. TOBEY. That is quite true.

Mr. SHIPSTEAD. We could bar our ports to the companies whose ships violated the law, as punishment. If only one ship violated the provisions of the law, the owners of the ship would be guilty, and could be denied the privilege of sending any other ships to our ports.

Mr. TOBEY. The Senator is quite correct.

Mr. SCHWELLENBACH and Mr. CLARK of Missouri addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield, and if so, to whom?

Mr. TOBEY. I yield first to the Senator from Washington. Then I will yield to the Senator from Missouri.

Mr. SCHWELLENBACH. Mr. President, I should like to ask the Senator when and in what sort of a tribunal this

question as to the offense would be adjudicated, and how would process be served upon the offender? Certainly we cannot have an adjudication as to an offense with the master of the ship or the owner of the ship 3,000 miles away, with no opportunity to be heard. I should like, as a practical matter, to know just how and when and by whom this adjudication is going to be made.

Mr. TOBEY. The Senator from Washington always asks very pertinent questions. Let me answer in this way: He is a lawyer, and a good one. Suppose I retained him at a good, fat retainer to frame a law that would encompass what he seeks to do. Would he do it or could he do it?

Mr. SCHWELLENBACH. Is that an offer? [Laughter.]

Mr. TOBEY. It is a threat and a promise, both. Come across. What does the Senator say?

Mr. SCHWELLENBACH. As a practical matter, I do not think it could be done. There is a ship somewhere around England. It may be an English ship flying an American flag. That is, we think it is. Proof must be made somewhere, before some tribunal, of the fact. We cannot just say to all English ships, "Do not come in here, because we may grab you after you get in. We may even get you in some court and prove the offense after you are here." An adjudication as to the offense has to be made within a reasonable time after the offense occurred. There has to be some proof, and there has to be an opportunity afforded to defend it.

Mr. TOBEY. Let me say to the Senator that in the World War, instance after instance came up in which the State Department had plenty of proof, but it had no law against the practice. Let us lay aside "critic peep and cynic bark, quarrel and reprimand," and let us get down to brass tacks here. Let us have a willing mind and recognize in the objective in my amendment a common cause. There is no partisanship or politics about this matter. Given a willing mind and a worthy cause, as I hold this to be, and we can move mountains of little objections here, and we can pass this law. Do not put hurdles in the path for some second- or third-rate reason.

Mr. LUNDEEN. Mr. President—

Mr. TOBEY. I yield to the Senator from Minnesota.

Mr. LUNDEEN. This is an American amendment.

Mr. TOBEY. I hope so.

Mr. LUNDEEN. It is not designed to help Great Britain; and perhaps that is the trouble with it.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. TOBEY. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. The Senator from Minnesota has made remarks like that around here just once or twice too often. There is nobody in this body who has less of a feeling of admiration toward Great Britain than I have; and I do not think there is a Member of this body who, in acting upon this legislation, is acting in the way the Senator from Minnesota is constantly insinuating.

So far as I am concerned, on behalf of myself, and I think on behalf of the entire Senate, I want the Senator from Minnesota to know that I resent his constant inferences. Nobody stood up here and said to the Senator from Minnesota, "You are representing Mr. Hitler." Nobody has hurled that sort of an insinuation at him. I think it is pretty nearly time for the Senator from Minnesota to desist from that sort of talk.

Mr. CLARK of Missouri and Mr. LUNDEEN addressed the Chair.

Mr. TOBEY. I now yield to the Senator from Missouri.

Mr. CLARK of Missouri. Mr. President, in view of the suggestion that has been made here, I should like to ask the Senator from New Hampshire whether this amendment, which I proposed and had printed in this morning's RECORD, does not mean what he is driving at:

In the event of the display of the flag of the United States as its own by any vessel of a belligerent foreign state, it shall thereafter for a period of 3 months be unlawful for the merchant and naval vessels of that belligerent foreign state to enter the ports or territorial waters of the United States except in cases of force majeure.



In other words, Mr. President, it seems to me the criticism that the United States has no process against these foreign vessels which may falsely fly the American flag is a valid criticism; but we certainly have a right to refuse access to our ports to foreign vessels which falsely, and for their own particular purposes, fly the flag of the United States in time of war.

Mr. TOBEY. I will say to the Senator that I think that amendment might be very helpful; but I point out that the amendment I have presented applies for all time, in future, clear down through. It ought to be a principle for all time, eternal in the statute books of this country.

I now yield to the Senator from Minnesota.

Mr. LUNDEEN. Mr. President, I wish to say to the able Senator from New Hampshire that I favor his amendment, and I want to call attention again to the fact that Senators have stood on this floor and talked about legislation before us from the standpoint of helping Great Britain. Their words are in the RECORD here.

It seems now that in order to help America we must help Great Britain. I cannot believe that any American citizen would advocate helping the British for any other reason. By what mental evolution do they arrive at any such conclusion? That was not the position taken by Washington, Jefferson, Jackson, Webster, and Clay or any other great American. They were never found pleading the case for foreign nations. They were Americans to the core—to them the American flag was the sacred emblem of American liberty.

How can anyone excuse the camouflage of a British cruiser, warship, or liner with the standard and colors of the American Nation? It is inexcusable and beyond comprehension.

Mr. TOBEY. The Senator from New Hampshire will proceed.

There is ample precedent for such legislation. The Netherlands, a nation which successfully maintained a neutral status throughout the World War, had such a law and used it to good advantage in strong protests to belligerent nations which attempted to ignore the rights of the Netherlands.

I read from a dispatch by the Netherlands' Minister of Foreign Affairs to the British Minister, dated February 15, 1915, amplifying the statute I just read in answer to an interrogation by the Senator from Nebraska:

In time of war that abuse takes on a character the seriousness of which cannot be overlooked by the powers signatory of the Declaration of Paris: It violates the neutral flag, it casts suspicion upon neutral ships flying their own colors, it exposes them to being mistaken for enemy ships, and to suffering the dangerous consequences. \* \* \* The law of the Netherlands likewise forbids the abuse of the Dutch flag but it contains no exception analogous to that in the merchant shipping act covering the case of utilization of the flag for the purpose of escaping the enemy.

The right of a nation to legislate concerning the use of its own flag is universally recognized. I now quote from authorities on international law and from documents of foreign states regarding this subject.

The first quotation is by Dr. Alexander Frieher, associate delegate of Austria-Hungary at the Conference of London, 1909. I quote:

The most far-reaching criterion is the first, whether the ship has acquired the right to fly the neutral flag, a question which must be answered according to the law of the neutral state whose flag it has taken.

The next statement shows that the principle was recognized as far back as 1809. I quote from the law adopted by Russia in that year:

The nationality of a vessel is to be decided in accordance with the laws of the country under the flag of which she is sailing, or to the port of which she claims to belong.

The next is a provision of the declaration of London. I quote:

The laws of a particular country may grant the right to fly a given flag. \* \* \*

Charles Dupuis, French authority on international law, holds to the "inviolability of a neutral flag."

Pasquale Fiore, an Italian authority on international law, said:

Every state has the right to say what legal conditions ships must fulfill in order to acquire the nationality and the legitimate right of carrying the flag of the state.

I now read to you, Mr. President, from a telegram sent by the Secretary of State of this Nation to the Ambassador of Great Britain, Mr. Page, on February 10, 1915:

The Department has been advised of the declaration of the German Admiralty of February 4, indicating that the British Government had, on January 31, explicitly authorized the use of neutral flags on British merchant vessels, presumably for the purpose of avoiding recognition by German naval forces.

Assuming that the foregoing reports are true, the Government of the United States, reserving for future consideration the legality and propriety of the deceptive use of the flag of a neutral power in any case for the purpose of avoiding capture, desires very respectfully to point out to His Britannic Majesty's Government the serious consequences which may result to American vessels and American citizens if this practice is continued.

I read further from the telegram:

The formal declaration of such a policy of general misuse of a neutral flag jeopardizes the vessels of the neutral visiting those waters in a peculiar degree by raising the presumption that they are of belligerent nationality regardless of the flag which they may carry.

I point out there that when we permit this practice to go unchallenged, we dilute the influence of the American flag. We definitely put our own ships in danger.

I read further from the telegram from the Secretary of State:

A policy such as the one which His Majesty's Government is said to intend to adopt would, if the declaration of the German Admiralty is put in force, it seems clear, afford no protection to British vessels while it would put a serious and constant menace to the lives and vessels of American citizens.

Further from the American Secretary of State:

The Government of the United States, therefore, trusts that His Majesty's Government will do all in their power to restrain vessels of British nationality from the deceptive use of the flag of the United States in the sea areas defined in the German declaration, since such practice would greatly endanger the vessels of a friendly power navigating those waters and would even seem to impose upon the Government of Great Britain a measure of responsibility for the loss of American lives and vessels in case of an attack by a German naval force.

Mr. President, to all these efforts on the part of the United States, to all these suggestions, England presented a deaf ear. Not only did they ignore our proposals, but they even scoffed at our diplomatic representations, and accepted them, to use a popular expression, "as a good joke." That impression is not a product of my imagination. In corroboration of this statement I quote from a telegram by the Ambassador in Great Britain, Mr. Page, to the Secretary of State, sent on March 21, 1915, from London and received on March 22:

The Government is publishing as a white paper all the correspondence about shipping between the American and British Governments since December 28. Critics praise the courtesy and admit the propriety of our communications, but they regard them as remote and unpracticable.

They further state:

They point out these in good-natured criticism as evidence of the American love of protest for political effect at home. While the official reception of our communications is dignified, the unofficial and general attitude to them is a smile at our love of letter writing as at Fourth of July orations, in which they quietly laugh at our effort to regulate sea warfare under new conditions by what they regard as lawyer's disquisitions out of textbooks.

They receive them with courtesy, pay no further attention to them, proceed to settle our shipping disputes with an effort at generosity, and quadruple their orders for us of war materials. They care nothing for our definitions or general protests but are willing to do us every practical favor, and will under no conditions either take our advice or offend us. They regard our writings as addressed either to complaining shippers or to politicians at home.

That is the answer of the British Empire, through Ambassador Page, to the representations of the American Secretary of State, and that is the nation which says, "We will keep on this practice," for one reason they cite, "because you"—the United States Government—"have no statute which forbids it." Is not the lesson plain? Is not the implication clear? Can my colleagues not read the signs and the portents?

We have a duty here today, but, more than that, we have a privilege, and men and women throughout this country are going to watch this vote and see whether we are for America first.

I am first, last, and all the time for America, and I cannot believe there will be a single vote against the amendment, despite the suggestion of impracticality. Impracticality! Everything is impractical up to a certain point, but there is real practicality, there is common sense, there is "guts," there is a punch to it. Join me and follow this thing through, and we will make America proud of this statute in the days to come.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. LUNDEEN. It seems to me that the description the distinguished Senator has read is a perfect description of what is happening to our little perfume-scented notes we write semi-annually to Great Britain about their war debts. Their insolent manners, their smiling, sneering attitude about our debts can no longer be endured in silence. They owe us billions of dollars while 10,000,000 unemployed are starving in America. They owe us billions while our own naval and military men say that we should have ports and air fields in the British and French West Indies. Senators may smile here on the floor about this vital issue, but they may not always smile about it, when the wrath of the American people breaks on their heads.

Mr. TOBEY. Mr. President, open warfare between belligerent armed merchant vessels and submarines on the high seas is now a fact. In the past few days we have read of active battle between such armed merchant vessels and submarines. This is an avowed fact, and on at least one occasion a merchant vessel claims credit for having sunk a submarine. Such merchant vessels are men-of-war as a practical matter.

I hold that it is vital that Congress adopt this amendment in order to make the practice of flying our flag on belligerent armed vessels unlawful.

The opportunity is presented by the proposed amendment, and I feel confident that the Members of this body will pass it without objection.

Mr. President, I urge the adoption of the amendment.

Mr. CLARK of Missouri. Mr. President, I am in entire agreement with nearly everything said by the Senator from New Hampshire, but I cannot agree that the United States Government has any right to impose the penalty provided in the amendment of the Senator. I think it was an absolute outrage during the last war, and is during this war, for foreign-flag ships of belligerents to assume to themselves the right to fly the American flag for the purpose of deceiving belligerent ships of other nations. But I do not believe that the United States Government has the right to impose the penalties contained in subsections (b) and (c) of the amendment of the Senator from New Hampshire. Therefore, to the amendment of the Senator I offer an amendment to strike out subsection (b) and to insert the language which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Missouri [Mr. CLARK] to the amendment of the Senator from New Hampshire [Mr. TOBEY].

The LEGISLATIVE CLERK. In the amendment offered by Mr. TOBEY it is proposed to strike out subsection (b) and to insert the following:

In the event of the display of the flag of the United States as its own by any vessel of a belligerent foreign state it shall thereafter for a period of 3 months be unlawful for the merchant and naval vessels of that belligerent foreign state to enter the ports or territorial waters of the United States except in cases of force majeure.

Mr. ADAMS. Mr. President, it seems to me that we would be traveling pretty far and rather rapidly in adopting this type of an amendment. What it means is that if one British merchant ship should run up the American flag for the purpose of escaping one of the undersea assassins, the U-boats, all the other merchant ships, which might never have had refuge in such deception, would be barred from American ports. It is perfectly proper, if there is any way to do it, to penalize the ship which uses the flag for deception, but to penalize the whole mercantile marine because

one ship does that, it seems to me, is going far, certainly without most careful consideration.

Mr. WHEELER. Mr. President, I agree with what the Senator has stated to the effect that we should not penalize all the ships, but I think that we could penalize the particular ship involved by providing that for a definite period of time that ship should not be permitted to enter an American port.

Mr. ADAMS. I think that is correct.

Mr. CLARK of Missouri. Mr. President, the amendment presented by the Senator from New Hampshire was drawn by him without any consultation with me; but I am very much in sympathy with the principle which he has enunciated in his proposal. During the last war one of the greatest incitements to submarine warfare was the fact that the government of Great Britain repeatedly asserted the right to fly the American flag for purposes of deception, which was one of the grounds assigned by the German Government for the right to sink without notice.

I think for a submarine, what the Senator from Colorado referred to a moment ago as an "undersea assassin," to sink a commercial vessel without notice is a dastardly thing, but it must be understood that the question of submarine warfare and of sinking without notice is intimately and inextricably connected with the proposition of arming merchantmen, and merchantmen or other vessels flying flags which they have no right to fly.

During the last war Secretary Lansing pointed out that merchantmen of the Allies had been permitted to arm, ostensibly for defensive purposes, but really for either offensive or defensive purposes against submarines, and that had been the occasion for attacks without notice by submarines.

He also pointed out that the practice by ships of other nations of flying the flag of the United States had made it very much more difficult for submarines to exercise their undoubted right under international law.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I will yield in a moment. Tomorrow, if I have the opportunity, I intend to quote from Secretary Lansing. He pointed out that in one case a German submarine stopped a British liner, took the requisite steps under international law of visit and search, confiscated the cargo because it was contraband, permitted the crew to take to the lifeboats, and was standing by to assist in any way possible, when a British cruiser came up flying the American flag, and when it got within gunshot it proceeded to sink the submarine without notice.

Mr. President, I do not think the United States ought to lend itself to such practices. At that time President Wilson and Secretary Lansing protested against such an act. They did not pursue the matter to the extent of making an issue of it, because we soon got into the war ourselves. I think that when we are trying to draw a neutrality act the United States should not permit any nation in the world, whether friendly or otherwise, under any conditions to fly the United States flag over any vessel which is not an American vessel.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. I appreciate what the Senator is trying to do, and I appreciate also the point made by the Senator from Colorado in an effort to work this out. The Senator does not propose to strike out subsection (a) of the amendment offered by the Senator from New Hampshire. That is left in the amendment, and would provide:

It shall be unlawful for any foreign vessel at any time to use the flag of the United States—

And so forth. I was going to suggest to the Senator that instead of the language of the amendment which he offered, that he provide that—

In the event of a violation of subsection (a) of this section—

Which is the one the Senator leaves in—

it shall be unlawful for any such vessel to enter the ports or territorial waters of the United States except in cases of force majeure.



So that that would penalize a vessel itself which violates the injunction, but would not involve a prohibition against every other ship of the nation, none other of which might have violated the provision. Does not the Senator think that would be sufficient?

Mr. CLARK of Missouri. I do not think it would be sufficient for the reason that, as appeared in the last war, the vessels of Great Britain were acting under general instructions which had been issued and were backed up by diplomatic action on the part of their own Government.

Mr. BARKLEY. Mr. President, will the Senator yield again?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. Under the language of the amendment which the Senator has offered, if a British, French, or German ship in crossing the Atlantic Ocean should hoist the American flag and thereby violate this provision, then any other British, French, or German ship on its way to New York from South America would be barred from entering the port of New Orleans?

Mr. CLARK of Missouri. Mr. President, I agree with the criticism made of the amendment of the Senator from New Hampshire on the ground that we have no right to impose penalties—

Mr. BARKLEY. I agree with that criticism.

Mr. CLARK of Missouri. Upon the crews or the masters of foreign ships. I wish we could. I say it is an outrage for a ship of any foreign nation, be it German or British or French, to hoist the American flag when it has no right to do so. I am convinced from my reading of the controversy between the American State Department and the British Government in the last war that the British ships which did that acted under the instructions of the British Admiralty. Therefore I think the only way sufficiently to penalize such action is by penalizing all the ships of the guilty nation.

Mr. BARKLEY. That would result in barring a ship of such a nation, sailing from the Philippine Islands to San Francisco, from entering that port, because another ship sailing from Liverpool to New York or Norfolk had been guilty of that deception.

Mr. CLARK of Missouri. I would be perfectly willing to accept the modification which would make an exception in such circumstances, but I say the British Admiralty has no right to instruct its ships, as it did in the last war, to use the American flag for the purposes of deception.

Mr. BARKLEY. I believe the suggestion I made to the Senator would cure the matter.

Mr. CLARK of Missouri. It would not have any effect on the British Admiralty. They might lose a ship under the penalties of this act, without curing the practice.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. TYDINGS. Mr. President, I can sympathize thoroughly with what the Senator from Missouri is attempting to do. It is perfectly possible for the owners of a ship to caution the captain not to fly the American flag, because if he should do so, it would be tantamount to barring forever the use of that ship to carry cargo from the United States to any foreign port. Suppose, in violation of the orders of the owners, the captain, who was chased by a U-boat, puts up the American flag. I quite understand why he might be impelled to do it, because extremity knows no law. The first law of nature is self-preservation. But, under the penalty provision, the man who violates the law would go absolutely unscathed and the innocent owners who had instructed the captain not to fly the flag would have their property virtually taken from them. I suggest that when the captain who flew the American flag goes ashore he be imprisoned. We cannot go on the deck of his ship and get him, but when he comes ashore let us penalize the man who puts the flag up on the masthead and not penalize perhaps a number of innocent persons who may not have been guilty of the act.

Mr. CLARK of Missouri. Mr. President, I happen to know that the Senator from Maryland is a very excellent lawyer,

and he is very familiar with the principle of agency in the law. I am unwilling to penalize the poor servant who acts in his master's interest to preserve his job and allow the man who undoubtedly had authorized him to commit the act to go unscathed. As I see it, the only way we can handle this matter is under the law of admiralty.

Mr. TYDINGS. Mr. President, I take it that, according to the law, an agent cannot be bound beyond the scope of his real or apparent authority. I think that is pretty sound law.

Mr. CLARK of Missouri. That is hornbook law.

Mr. TYDINGS. The ship is not usually owned by an individual. It is usually owned by a company.

Mr. CLARK of Missouri. That makes it all the worse.

Mr. TYDINGS. No; it does not. It makes it all the more reason why we should be careful not to penalize the innocent investors in a shipping line, simply because one of its captains violates the law of the United States. It seems to me that the proper course to follow would be to arrest the captain when he comes ashore for having flown the flag of the United States unlawfully. I do not object to voting for such an amendment as that, but I do not intend to support this amendment to penalize innocent persons for a crime committed by someone who has nothing to do with the ownership of the vessel.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Kentucky.

Mr. BARKLEY. I was about to suggest to both the Senator from Missouri [Mr. CLARK] and the Senator from New Hampshire [Mr. TOBEY] that I think the matter can be satisfactorily worked out by a little consultation; and I suggest that it go over until tomorrow.

Mr. CLARK of Missouri. I am willing to accept the language suggested by the Senator from Kentucky, not because it is adequate for what I favor, but because I think it is the best I can get.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I am glad to yield to the Senator from Nebraska.

Mr. NORRIS. I may not understand the full scope of the Senator's proposed amendment; but, as I understand, the amendment strikes out subsection (b) of the amendment proposed by the Senator from New Hampshire [Mr. TOBEY], and inserts something in lieu of it.

Mr. CLARK of Missouri. That is correct.

Mr. NORRIS. As I listened to the reading, there was no penalty clause attached to it. Is that true?

Mr. CLARK of Missouri. There is a penalty clause.

Mr. NORRIS. Is that in the Senator's amendment?

Mr. CLARK of Missouri. It is.

Mr. NORRIS. I did not hear it.

Mr. CLARK of Missouri. I shall be glad to read the amendment to the Senator:

In the event of the display of the flag of the United States as its own by any vessel of a belligerent foreign state it shall thereafter, for a period of 3 months, be unlawful for the merchant and naval vessels of that belligerent foreign state to enter the ports or territorial waters of the United States, except in cases of force majeure.

Mr. NORRIS. Is that the language to be inserted?

Mr. CLARK of Missouri. That is the language of the amendment which I have offered.

Mr. NORRIS. That answers my question.

Mr. CLARK of Missouri. Mr. President, the criticism of the Senator from Kentucky and other Senators is not that I do not have a penalty clause but that my penalty clause is too drastic.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. If the Senator is willing to modify his amendment by the suggestion I made, it may save us time, and we may be able to dispose of the whole matter.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Oregon.

Mr. McNARY. I think it would be impossible to come to an agreement this evening. I therefore suggest that we follow the suggestion of the Senator from Kentucky and let the matter go over until tomorrow.

Mr. CLARK of Missouri. Frankly, I should much prefer to have the matter go over until tomorrow, because I have not had an opportunity to analyze the various suggestions which have been made.

Mr. BARKLEY. I have no doubt that we can satisfactorily work out the matter by tomorrow. I therefore suggest that it go over.

Mr. CLARK of Missouri. That is agreeable to me.

#### RECESS

Mr. BARKLEY. I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Thursday, October 26, 1939, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, OCTOBER 25, 1939

The House met at 12 o'clock noon.

The Reverend Edmund A. Walsh, S. J., vice president, Georgetown University, regent, School of Foreign Service, offered the following prayer:

Almighty and eternal Father, in whom and by whom all creation moves through law unto its appointed end, preside, we beseech Thee, over the deliberations of this day, and make manifest in them the wisdom befitting sons of God. Illumine with Thy grace the intellects of those who here share with Thee the dread responsibility of governing mortal ways. Strengthen their wills to safeguard equal justice unto all, with malice to none. Suffuse their hearts with charity that is patient and understanding of human weakness, tolerant of each man's groping for the light, but resolute in a justice that fears not to do battle for the right nor flinches ever before the insolence of wrong.

Keep from our beloved land the withering blight and scourge of fratricidal war now afflicting with sore distress our fellow men beyond the seas. Banish hatred from all council chambers and disunion of mind among the people. Let not the curse of Cain find habitation on our shores or in our hearts; but make true peace, like a tree planted beside running waters, flourish from generation unto generation forevermore. To that end guide, protect, and accompany in this hour the President of these United States, the Speaker of this House, and all the Members thereof, that never word or act of theirs find disfavor in Thy sight or be reckoned as false counsel before that impartial tribunal where every man and nation must one day stand for judgment. A blessing we do ask in the name of Him whom Thou didst send, Jesus Christ, the Redeemer of the world. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. ROBINSON of Utah. Mr. Speaker, cwing to unavoidable circumstances, the gentleman from Montana [Mr. O'CONNOR] will not be able to use the time allotted him this morning. I therefore ask that the order previously made in his behalf be canceled, and I ask unanimous consent that he may be given 30 minutes to address the House tomorrow after the disposition of the legislative program and orders previously made.

The SPEAKER. Is there objection to the request of the gentleman from Utah [Mr. ROBINSON]?

There was no objection.

#### EXTENSION OF REMARKS

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by Col. Edward N. Wentworth, commander in chief of the Military Order of the World War.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the New York Herald Tribune urging the adoption of House Resolution 316.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. McDOWELL]?

There was no objection.

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a short newspaper article from the Parkersburg News of Parkersburg, W. Va.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. THILL]?

There was no objection.

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein an address I made before the Illinois Press Association at the University of Illinois.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. BOLLES]?

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on tomorrow, following any orders that have been heretofore entered, my colleague the gentleman from Pennsylvania [Mr. CORBETT] may be permitted to speak for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

#### EXTENSION OF REMARKS

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein an address by the gentleman from Indiana [Mr. HARNES], at the National Forum on Sunday night.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. MAPES]?

There was no objection.

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a summary of the discretionary war powers of the President of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. DITTER]?

There was no objection.

Mr. CORBETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein an editorial by the President General of the Sons of the American Revolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. CORBETT]?

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes today at the conclusion of any previous orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. THORKELSON]?

There was no objection.

#### EXTENSION OF REMARKS

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein the membership of the American League for Peace and Democracy.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. THORKELSON]?

Mr. RICH. Mr. Speaker, reserving the right to object, looking at that it appears as if it is quite voluminous. How many pages will that take?

Mr. THORKELSON. I do not believe it will take very many pages, maybe two and a half or three.